



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: SEPTEMBER 24, 2018

ITEM NUMBER:

PH-1

**SUBJECT:** PLANNING APPLICATION 18-30 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (PIVOT NATURALS, LLC) AT 3595 CADILLAC AVENUE, SUITE 101

**DATE:** SEPTEMBER 13, 2018

**FROM:** PLANNING DIVISION / DEVELOPMENT SERVICES DEPARTMENT

**PRESENTATION BY:** MEL LEE, SENIOR PLANNER

**STAFF CONTACT:** MEL LEE, AICP (714) 754-5611  
mel.lee@costamesaca.gov

---

## **DESCRIPTION**

Planning Application 18-30 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (Pivot Naturals, LLC) within a 5,283-square-foot tenant space of an existing industrial building. The proposed facility will include processing of cannabis oils to blend them into a powder for use in tablets, beverages, edibles, and similar products. No cannabis extraction will take place at this facility. Rooms include manufacturing and packaging areas, storage rooms, and ancillary offices. Trailers used for the distribution of cannabis products will be within the building. The facility will be staffed by at least nine employees. The hours of operation are proposed to be from 7 AM to 7 PM, daily, eventually expanding to 24 hours a day, if demand warrants. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation or dispensing of marijuana is permitted.

## **APPLICANT/AUTHORIZED AGENT**

The applicant/authorized agent is Patrick Rolfes, representing IMHOF Krickl and Warner, LLC, the property owner.

## **RECOMMENDATIONS**

Staff recommends that the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities; and
2. Approve Planning Application 18-30, subject to conditions of approval.

## **BACKGROUND**

### ***Project Site/Environs***

The subject site is located on the west side of Cadillac Avenue, north of Scenic Avenue. The property contains a multi-tenant industrial building. The subject tenant space (Suite 101) is 5,283 square feet in size and is currently vacant. The building was constructed in 1978. The prior tenant was a construction firm (Red Hill Construction). The subject property is zoned MP (Industrial Park) and has a General Plan Land Use Designation of Industrial Park. The site is bounded by industrial buildings used for warehousing and light manufacturing. There are no open Code Enforcement cases on the property.

### ***City of Costa Mesa Medical Marijuana Measure (Measure X)***

On November 8, 2016, voters approved Measure X, also known as the City of Costa Mesa Medical Marijuana Measure. Measure X allows the following medical marijuana-related uses: distributors, manufacturers, processors, research and development laboratories, as well as testing laboratories and transporters. These uses may only be located in specific Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive, west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue. Measure X prohibits the sale and cultivation of marijuana anywhere within the City.<sup>1</sup>

Under Measure X, medical marijuana uses are required to obtain all of the following approvals before conducting business within the City:

1. A Medical Marijuana Business Permit;
2. A Conditional Use Permit; and
3. A Business License. Measure X imposes a 6 percent annual gross receipts tax on any marijuana business.

Subsequently on April 3, 2018, City Council adopted Ordinance No. 18-04 to allow and permit adult use marijuana products to be manufactured, distributed, transported, tested and developed in the same manner and in the same areas as medical marijuana uses pursuant to Measure X. Non-medical adult use marijuana was not legal under state law at that time of the adoption of Measure X but is now legal under the State's Medicinal and Adult-Use Cannabis Regulation and Safety Act. With the City's newly adopted ordinance, Measure X CUP applications are allowed to include adult use and medical marijuana related land uses. Ordinance No. 18-04 also removed the provision of the Code that prohibited Measure X uses from locating within a 500-foot buffer around Moon Park.

---

<sup>1</sup> The Zoning Code, with limited exceptions for personal cultivation as mandated by Proposition 64, also prohibits dispensaries, sales and cultivation. See CMMC § 13-200.84.

## ***Planning Application 18-30***

### ***Marijuana Business Permit (Part 1)***

Per the process described above, the applicant applied for a Marijuana Business Permit (MX-18-0007) on July 10, 2018. The MBP application was reviewed by the Community Improvement Division (CID). Review of the MBP included a background check of the proposed business owner(s) with each owner/officer of the company being required to complete and pass the background check, as well as the required submittal of a business plan and a security plan. Once the above items were approved by City staff, a Notice to Proceed letter was issued. The Notice to Proceed letter allows an applicant to file an application for a CUP and was issued for this application on July 27, 2018.

### ***Marijuana Business Permit (Part 2) and Business License (if CUP Approved)***

Upon approval of a CUP, the applicant would begin the remaining steps of the marijuana business approval process, which include obtaining any required building and fire safety permits and inspections. Upon completion of all of the above steps, the MBP would be approved. To complete the approval process, the applicant must receive a business license from the City. After approval of the MBP, the CUP, and the business license, as well as the necessary permit issued by the state Bureau of Cannabis Control, the applicant may begin operation. A MBP approval is good for a two-year period and may be renewed for additional two-year periods provided it is extended prior to expiration of the approval period. During the two-year permit period, the CID, along with other City staff, will conduct site visits to verify the operation is in compliance with all Conditional Use and Business Permit requirements. Violations identified during these site visits, including failure to renew their business permit, may be grounds for the revocation of the Business and/or Conditional Use Permits.

## **ANALYSIS**

### ***Proposed Use***

The applicant is proposing to use the tenant space for cannabis product preparation, manufacturing, processing, packaging, distribution, and transportation. With regard to State Licensing requirements, the applicant will be applying to operate under a Type 13 Cannabis License (Distributor – Transport Only) and Type N (Manufacturing – Cannabis Infusion). No extraction of raw cannabis material will occur at this facility. Instead, the applicant will purchase already processed and refined cannabis oil from other licensed facilities. The oil will then be blended into a powder for use in beverages, edibles, tablets/capsules, and similar products. No edibles are manufactured at this location. Manufacturing and packaging areas will be used for the various products. At the center of space will be an open, but secure, area where the final products will be labeled and boxed for shipping. The remainder of the suite space will be used for ancillary offices and secured storage rooms.

Trailers used for the distribution of products will be brought into the building through the existing roll-up door. Per Condition of Approval No. 1, no distribution will be allowed to occur between 12:00 AM midnight and 5:00 AM. Products ready for distribution will be placed in secured containers once processed. The secured containers will then be transferred to the trailer within the building, then the trailer will be attached to a vehicle to

leave the site. No loading and unloading of product into the trailer will take place outside of the building. Video surveillance cameras will be installed on the exterior of the building with direct views of the exterior roll-up door.

The hours of operation are proposed to be from 7 AM to 7 PM, daily, eventually expanding to 24 hours a day, if demand warrants. Interior tenant improvements include creating the packaging areas within the existing space to accommodate the proposed cannabis manufacturing and distribution use. Other security measures proposed to be installed throughout the facility include: video surveillance system installed at all exterior entrances and in all interior rooms, monitored burglar alarm system, and entry card readers. A detailed security plan was submitted to the Development Services Department as part of the Marijuana Business Permit and was reviewed and approved by HdL, the City's security consultant. Personnel from HdL also inspected the building with the applicant and Planning staff on August 27, 2018 and recommended several additional operational conditions of approval as discussed later in this report.

The attached description letter provided by the applicant, which has also been reviewed by HdL, includes more detail regarding the above described activities and the areas within the building where these activities occur (Attachment 3).

## **GENERAL PLAN AND ZONING CODE CONFORMANCE**

### ***Conformance with the City of Costa Mesa General Plan***

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and providing cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

**Consistency:** The proposed use will provide a new entrepreneurial business in Costa Mesa as allowed under Measure X and provide new employment opportunities in the community.

2. **Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

**Consistency:** The proposed use is not located near any residentially-zoned properties. Therefore, the use is consistent with the General Plan Policy.

3. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

**Consistency:** The proposed use is part of a growing industry and is proposed in a location as specifically identified for such uses by the City's electorate through Measure X. Therefore, approval encourages new businesses and entrepreneurial opportunities in an area of the City identified for such by local voters.

### **Conformance with the Zoning Code**

Staff believes the proposed use, as conditioned, meets the intent of the City's Zoning Code with regard to the MP zone, as the use would entail manufacturing and distribution within an existing industrial building zoned for that use. Manufacturing related to marijuana requires approval of a Conditional Use Permit.

### **JUSTIFICATIONS FOR APPROVAL**

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows.

### **Required Findings**

- The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area. The proposed use is a manufacturing and distribution use and, with the recommended conditions of approval, will be consistent with the other industrial uses in the immediate vicinity. Compliance with the conditions of approval, as discussed in the following section, will allow this use to operate with minimal impact on surrounding properties and uses.
- Granting the conditional use permit and minor conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood. The proposed use is within an existing building and is consistent with the MP zoning of the property and the properties immediately abutting the site. Compliance with the recommended conditions of approval and code requirements will ensure that the project is not materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.
- Granting the conditional use permit and minor conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property. The use is consistent with the General Plan goals and policies as discussed earlier in this report. The proposed

use is within an existing building and there are no proposed additions to the building; therefore, there is no change to density or intensity. In addition, the proposed use is a conditionally permitted use in the industrial zone.

### ***Conditions of Approval***

More than 30 conditions of approval are included in the Administrative Regulations for uses subject to Measure X, beyond standard conditions of approval for CUPs. These new conditions were developed specifically for marijuana uses. New conditions include, but are not limited to, the following:

- Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to marijuana, whether in words or symbols. All signs shall comply with the Costa Mesa Municipal Code. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City. (Condition Number 7).
- Cannabis shall not be consumed on the premises at any time, in any form. (Condition Number 14).
- No outdoor storage of cannabis or cannabis products is permitted at any time. (Condition Number 15).
- Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business, including employees of the business. (Condition Number 18).
- No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the marijuana business. (Condition Number 20).
- All employees must wear an identification badge while on the premises of the business, in a format prescribed by the City Manager. (Condition Number 26).
- The business must obtain any and all licenses required by state law and/or regulation prior to engaging in any cannabis activity at the property. (Condition Number 31).
- Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change (Condition Number 34). Note that this is a revised condition that will be reflected in future CUP's and in the standard conditions in the Administrative Regulations.

In addition to standard conditions of approval, staff has added the following condition which requires implementation of certain security-related requirements as recommended by the City's security-consultant, HdL.

- The Applicant shall submit project plans that comply with the following, prior to issuance of building permits:
  - The tenant improvement plans submitted for plan check shall identify the proposed limited-access areas to ensure visitor control, inventory and cash handling procedures take place in the appropriately designated areas.
  - In the event the stair case is not removed as is shown on the project plans, the applicant shall be required to install surveillance cameras of a type and in a location capable of covering the entire mezzanine area.

- All cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault to prevent diversion, theft and loss. (Condition Number 40).

### ***Completion of the Marijuana Business Permit and Business License***

As noted above, obtaining approval of the CUP is only part of the process involved with obtaining a Marijuana Business Permit and commencement of business operations. If the CUP is approved by the Planning Commission, the applicant will be required to obtain the necessary final approvals from CID, Building Safety, Fire Prevention, and the Finance Department in order to finalize the Marijuana Business Permit and obtain a business license from the City. Additionally, the applicant must also receive approval from the State of California to operate the marijuana business.

### **ENVIRONMENTAL DETERMINATION**

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. The project is consistent with the applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations.

### **LEGAL REVIEW**

The draft resolution has been reviewed and approved as to form by the City Attorney's Office.

### **PUBLIC NOTICE**

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. Mailed notice. A public notice was mailed to all property owners within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property. (See attached Notification Radius Map.)
2. On-site posting. A public notice was posted on each street frontage of the project site.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

As of the date of this report, no written comments have been received from the public. Any public comments received after the date of this report but prior to the Planning Commission hearing will be provided separately.


### **ALTERNATIVES**


The Planning Commission may take one of the following actions.

1. Approve the project, as proposed. The Planning Commission may approve the project, subject to the conditions of approval as recommended by staff. A Resolution for approval is provided as Attachment 5.
2. Approve the project with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns raised at the public hearing regarding the proposed use. If any requested changes are substantial, the item should be continued to a future meeting to allow for a redesign or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised resolution incorporating new findings and/or conditions.
3. Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application and provide facts in support of denial and direct staff to return to the Planning Commission at its next meeting with a Resolution for denial to be placed on the Commission's consent calendar. If the project were to be denied, the applicant could not submit substantially the same type of application for six months.

## **CONCLUSION**

The use, as conditioned, reflects a use that is consistent with the intent of the Zoning Code, the City's General Plan, and the City of Costa Mesa Marijuana Measure (Measure X) as revised. Notwithstanding, the Commission may wish to review the proposed loading and unloading area. The Commission may approve, deny or approve the application with modifications.

  
\_\_\_\_\_  
MEL LEE, AICP  
Senior Planner

  
\_\_\_\_\_  
BARRY CURTIS, AICP  
Director of Economic and Development  
Services

Attachments:    1. Vicinity, Zoning, and Notification Radius Map  
                      2. Site Photos  
                      3. CUP Letter and Safety Plan  
                      4. Conceptual Drawings  
                      5. Draft Planning Commission Resolution and exhibits

Distribution:    Director of Economic and Development Services  
                      Assistant Director of Development Services  
                      Assistant City Attorney  
                      Director of Public Services  
                      City Engineer  
                      Transportation Services Manager  
                      Fire Protection Analyst  
                      File



**Applicant:** Pivot Naturals, LLC  
Attn: Patrick Rolfes  
3595 Cadillac Avenue, Unit 101  
Costa Mesa, CA 92626

**Owner:** IMHOF Krickl and Warner, LLC  
2850 Fairview Road,  
Santa Ana, CA 92704

# ATTACHMENT 1



0.1 0 0.07 0.1 Miles

WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
© City of Costa Mesa

1: 4,194



The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.

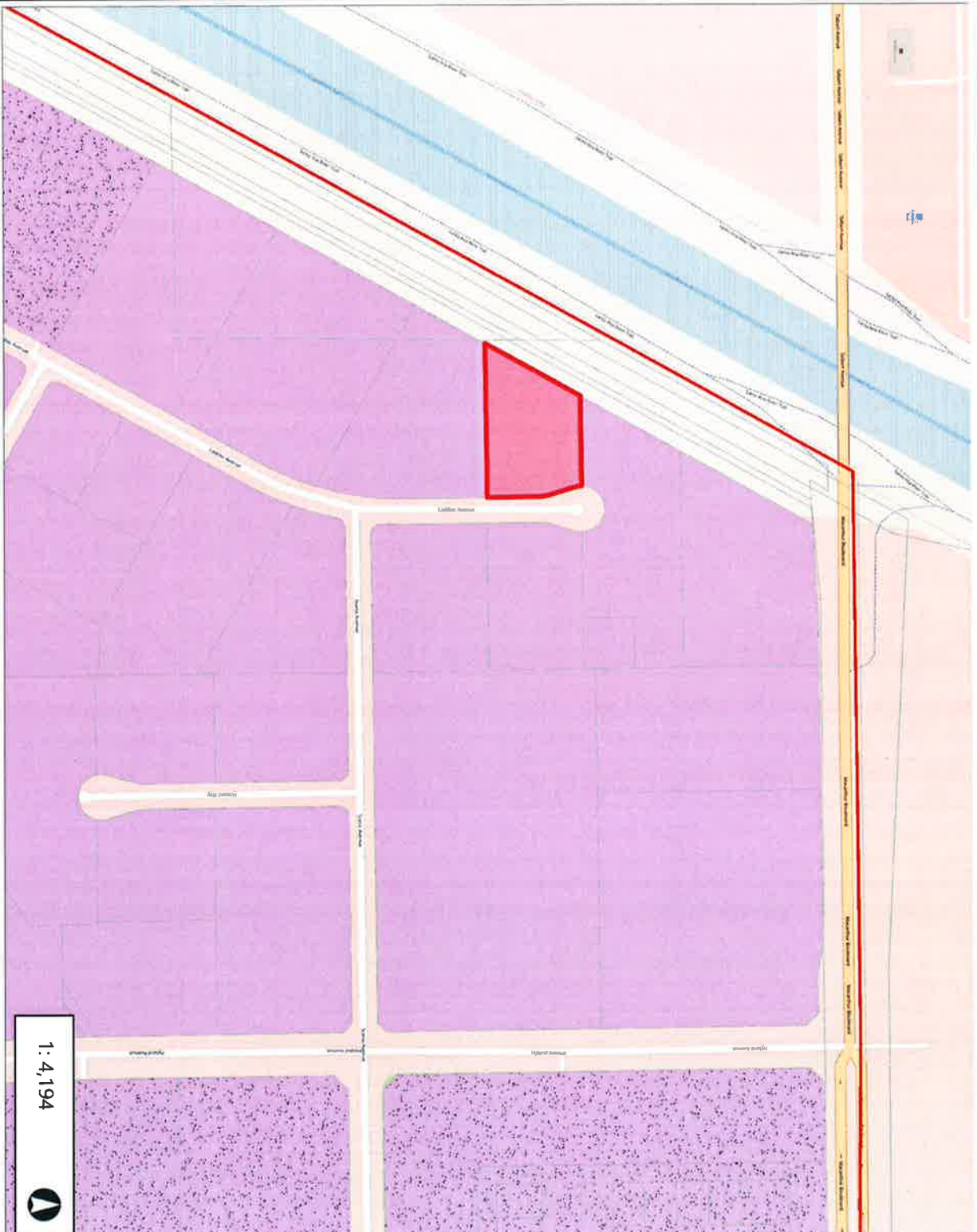


Legend

 Costa Mesa

Notes





WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
© City of Costa Mesa

© City of Costa Mesa

1:4,194



### Legend



## Zoning

- 
- |    |    |      |    |    |     |       |    |    |   |     |     |        |        |        |         |    |       |       |    |    |
|----|----|------|----|----|-----|-------|----|----|---|-----|-----|--------|--------|--------|---------|----|-------|-------|----|----|
| AP | C1 | C1-S | C2 | CL | I&R | I&R-S | MG | MP | P | PDC | PDI | PDR-HD | PDR-LD | PDR-MD | PDR-NCM | R1 | R2-HD | R2-MD | R3 | TC |
|----|----|------|----|----|-----|-------|----|----|---|-----|-----|--------|--------|--------|---------|----|-------|-------|----|----|

## Notes



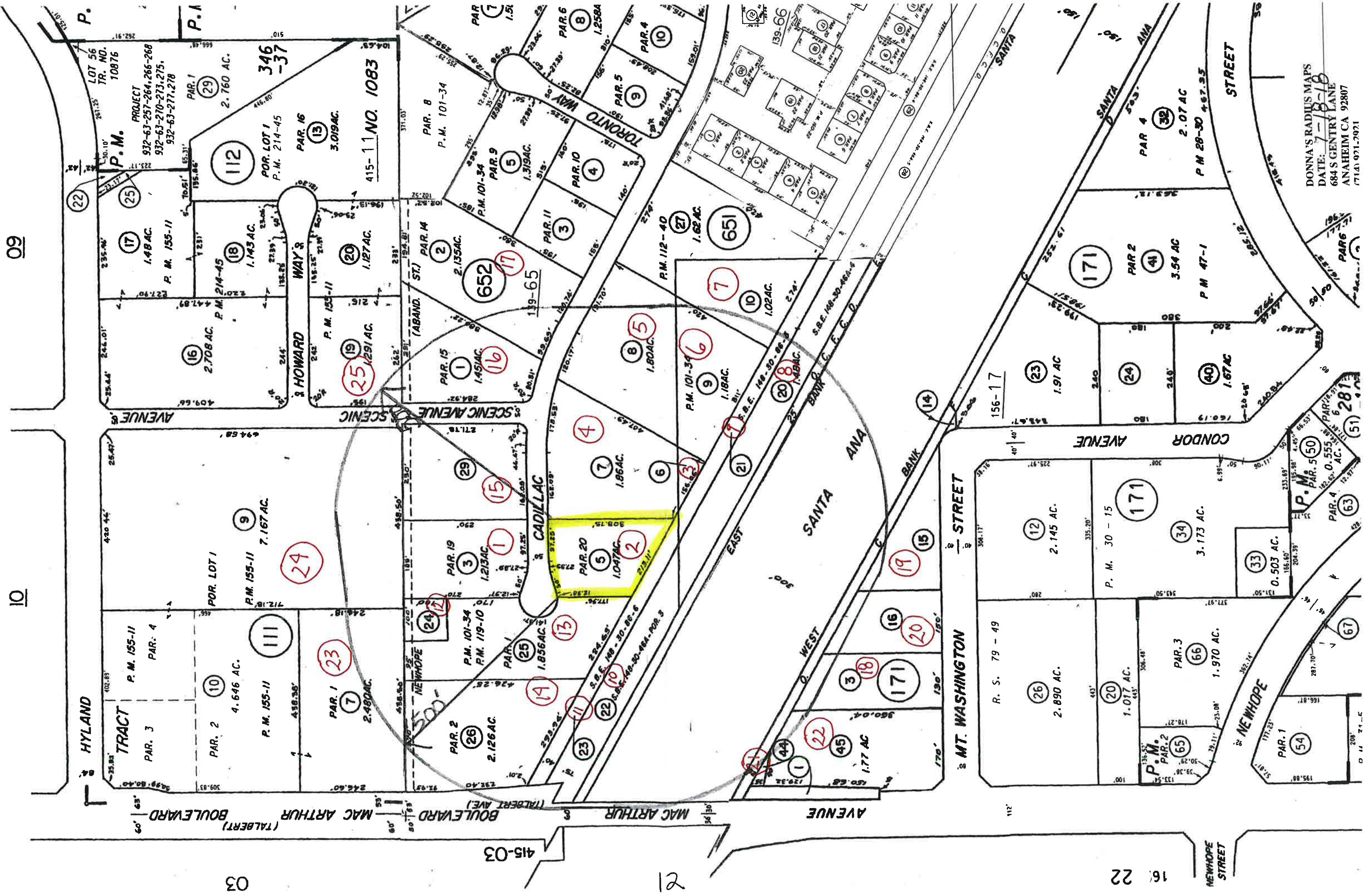
09

10

03

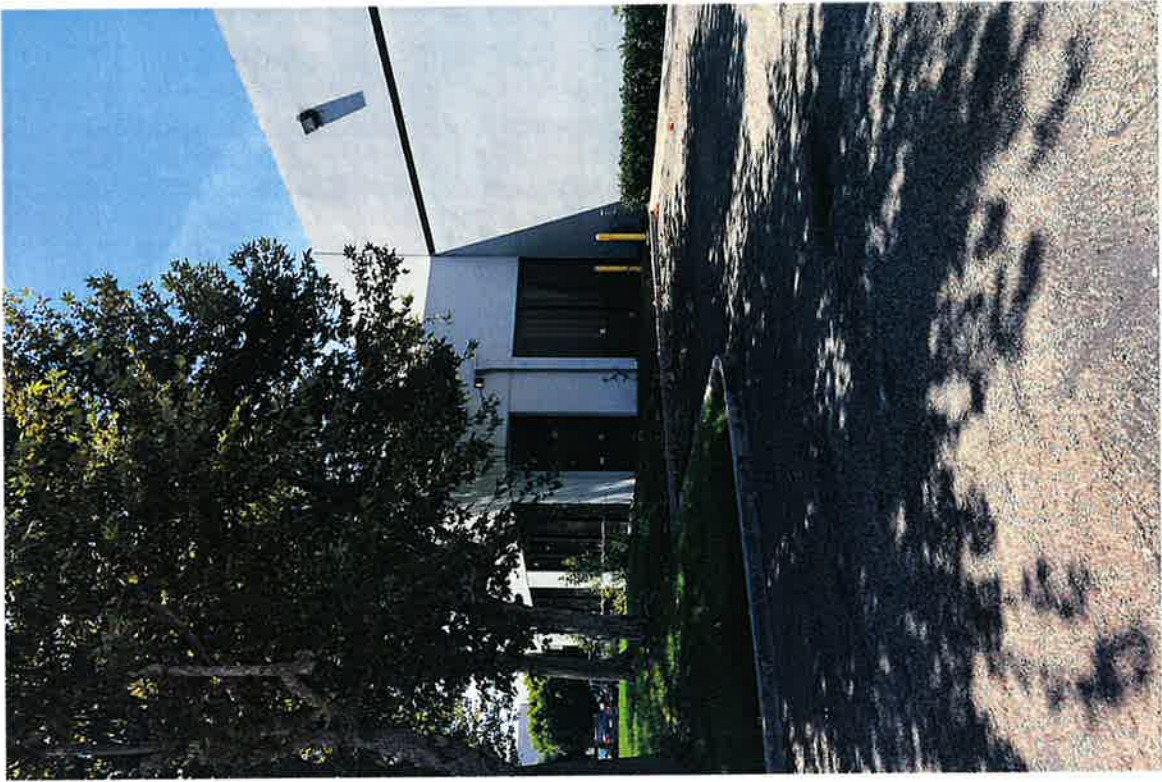
12

16 22



DONNA'S RADIIUS MAPS  
DATE: 7-18-18  
684 S GENTRY LANE  
ANAHEIM CA 92807  
(714) 931-2921





















## ATTACHMENT 3

### PIVOT NATURALS LLC Conditional Use Permit Letter

**Applicant Name:** Pivot Naturals LLC

**Business Entity:** LLC

**Operators Business Name:** Pivot Naturals LLC

**Business and Operations Address:** 3595 Cadillac Avenue, Unit 101, Costa Mesa, CA 92626

**APN:** Parcel 139-651-05

**Square Feet:** 5,283 square feet

**Year Built:** 1978

**Construction Type:** TYPE IIIB, NON-RATED; ONE STORY BUILDING, NON-SPRINKLERED

**Occupancy:** F-1, Manufacturing (Type N- Infused) & Distribution (Type 13 - Transportation Only)

**Business Description:** Licensed and Permitted Manufacturer and Distributor/Transporter of Cannabis.

**Types of marijuana business seeking permit in the city of Costa Mesa:**

1. A Marijuana Manufacturer/Processor
2. A Marijuana Distributor/Transporter

**Types of California State License:**

1. Type N: Manufacturer - Infusion
2. Type 13: Distribution-Transportation Only

**Notice to Proceed and Background Check Clearance Letter:**

- ✓ Operator successfully applied, received rigorous scrutiny, and received notice to proceed on July 27, 2018.

**Costa Mesa Business License:**

- ✓ Operator to apply after CUP approval, prior to operations as the City of Costa Mesa requires.

**PRIOR LAND USE:** Property originally built in 1978. Recently operated as offices for a construction/manufacturing company. Was the first building developed in the Measure X zone. The land was formerly a strawberry field.

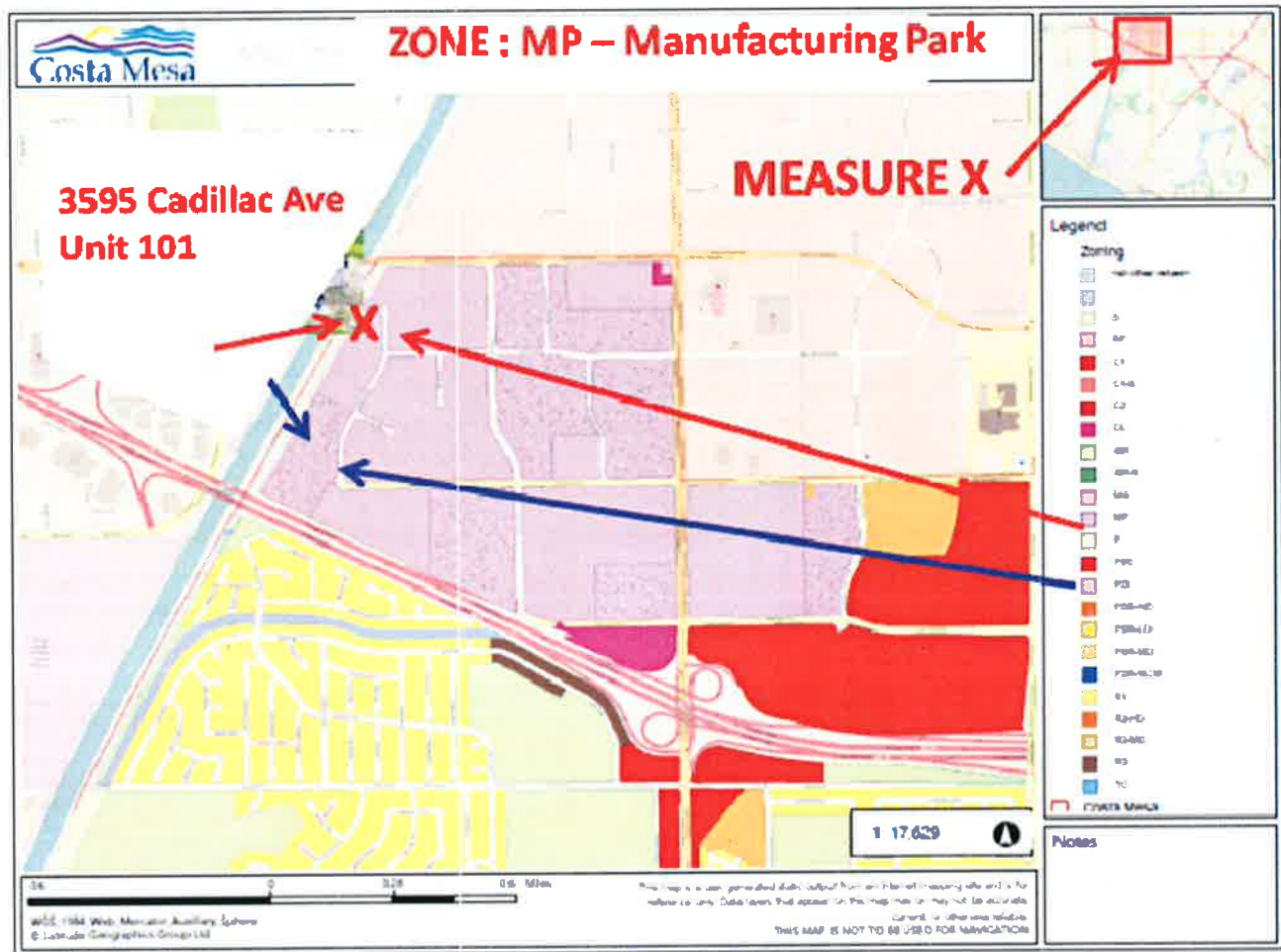
**PROPOSED USE:** Packaging and transportation of cannabis products.

**PARKING:**

Sufficient parking exists within the development based on the number of parking spaces allocated (15).

The project is also located adjacent to the 50.3 miles Santa Ana River bike trail, linking San Bernardino, Riverside with Orange County and the beaches. This allows easy access for cycling and public transportation.

**ZONING:** Property Zoned as MP (Manufacturing Park)



**SITE HISTORY:**

Manufacturing/Fabrication: 3595 Cadillac Avenue was the first building developed in the Measure X zone. The same developer who built this building also developed the building to the south, and the 300,000+ square foot building currently occupied by Schneider Electric at 1660 Scenic Avenue in the Measure X zone.

The land was a former strawberry field. The original developer/owner still owns the property today.



**PROJECT LOCATION:** Measure X zone is a small geographic location in the Northwest corner of Costa Mesa. Its boundaries are the 405 Freeway, Santa Ana River, MacArthur Boulevard and Harbor Boulevard.

This project is located on Cadillac Avenue towards the end of the cul-de-sac, in a multi-tenant manufacturing facility located in the upper Northwest corner of the zone adjacent to the Santa Ana River.

In addition to Pivot Naturals adding an advanced and thorough level of security measures including, but not limited to, multiple outside surveillance cameras, it is located in a concentrated area of cannabis businesses allowing those businesses to work together as a group to increase the security in the Measure X zone.





## Location within Measure X Zone



Types of California State License:

1. Type N: Manufacturer - Infused
2. Type 13: Distribution – Transportation Only

## City Permits vs State Licensing



**Licensing  
Agency**

**1**



**Manufacturing**

**Type 6**



**2**



**Distribution**

(Note: Costa Mesa offers one category of "Distribution")

**Type "13" - Distributor –  
Transport Only**



**BUREAU OF  
CANNABIS  
CONTROL**  
CALIFORNIA

## PIVOT NATURALS' BRAND LINE UP

### Capsules and Tablets

- Each capsule delivers an accurate dose of THC/CBD
- Packaged in bottles
- Utilizing Pivot's industry-leading patented process for encapsulating powderized cannabis oil
- Capsules will be sold as pure cannabinoid products and with added ingredients for targeted effect

### Stick Packs

- RTIC (Ready-To-Infuse-Cannabis) Powder
- Each stick pack delivers a consistent dose of THC/CBD
- Available in boxes
- Allows for discreet and accurate dosage on the go
- Can be added to foods and beverages to provide the benefits of THC/CBD

### Beverages

- Prepared using RTIC (Ready-To-Infuse-Cannabis)
- Allows for discreet and accurate dosage on the go

### Bulk Powder

- Prepared using Pivot Naturals' patented process of turning cannabis oil into a powder to ensure consistent dosage (homogenization)
- Bulk THC/CBD powders that can be added to any recipe
- Wholesale and retail:
  - Wholesale powders will be sold to food & beverage manufacturers to produce their own edibles
  - Retail powders will be packaged similar to current protein powders and will come with guidelines for adding to consumers' home cooking and beverage preparation.



## **OPERATING REQUIREMENTS & STANDARDS:**

Pivot Naturals ONLY conducts business with other licensed and permitted distributors and manufacturers in California.

There will be **NO EXTRACTION** at this facility. For additional information, see "SUPPLY CHAIN".

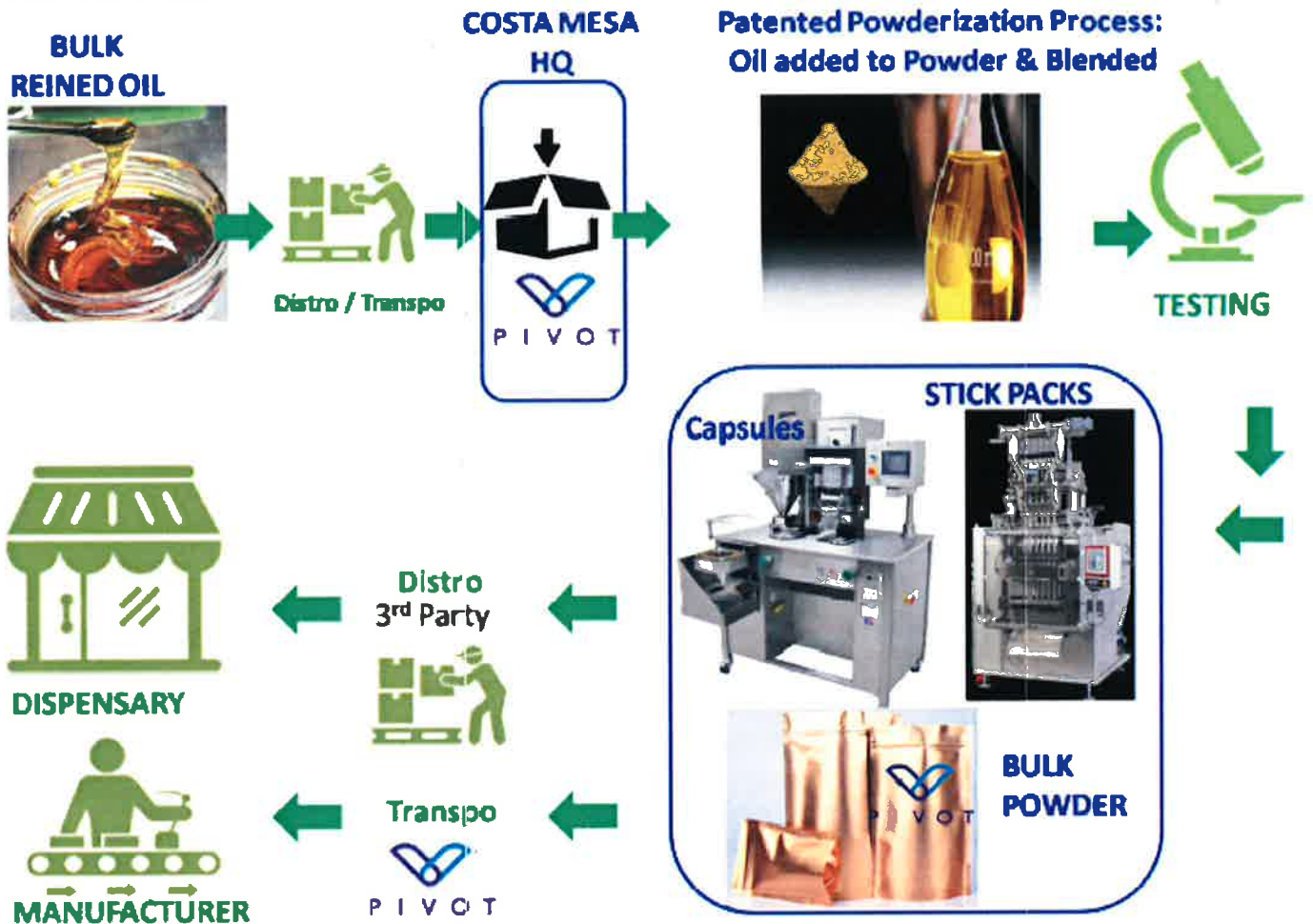
Pivot Naturals' business model is to purchase processed and refined oil from a licensed facility. The oil will be blended with a powder through a patented process (U.S. Patent NO. US 9,269,886). The powder produced is water soluble, for use in beverages, edibles and other products creating greater ease of packaging infused products.

Pivot Naturals does not touch the cannabis plant. Therefore, we have no odors and no waste. Pivot Naturals uses their proprietary and patented blending and packaging process as further described throughout.

- Pivot Naturals' patented process does not generate or produce any air-borne dust or particles.
  - Pivot Naturals' patented process consists of a carrier starch combined with oil in an enclosed blender/mixer.
  - Once starch and oil are blended together, the specific weight density of the powder is heavier than air, so no air-borne particles will occur in the packaging process.
  - Pivot Naturals' technology does not change the molecular structure of the oil. The oil is just carried within the starch like water in a sponge.
- Odor controls per Measure X - Marijuana businesses are required to ensure that odors from marijuana are not detectable off-site.
  - Pivot Naturals' packaging process does not generate any odor.
  - No odor is created when blending oil with starch powder.
  - No odor is created when packaging the infused powder.

**PROCESS TO DATE:** Pivot Naturals has received approval of our Business Plan, Security Plan and Safety Plan and are pursuing a Marijuana Business Permit with the City of Costa Mesa. During that rigorous review, many documents and signatures we required with tremendous scrutiny of plans. Pivot Naturals has paid \$21,525 for the Marijuana Business Permit Application Fee and \$300 per Background Check of owners / principles.

**SUPPLY CHAIN: Closed Loop – All Licensed and Permitted**



## **COMPLIANCE WITH LAWS:**

It is the responsibility of the owners and operators of the marijuana businesses to ensure at all times that their businesses are operating in a manner compliant with all applicable state and local laws, and any regulations promulgated there under.

For safety and security purposes, we offer the following information to demonstrate we are complying with and exceeding Measure X requirements:

Pivot Naturals will diligently adhere to each applicable rule and regulation set forth in the City of Costa Mesa's Measure X. Pivot Naturals will identify and designate a security liaison/representative to the city. Pivot Naturals will notify its CEO within 24 hours of discovering any theft, loss, diversion, inventory discrepancies, unauthorized alteration of records related to cannabis transactions. Pivot Naturals will further comply with Measure X in the following ways:

- Agreement to pay all related taxes and fees.
- Record availability for audit including all revenues, expenses liabilities to verify taxation compliance.
- Maintenance of comprehensive general liability insurance and comprehensive automotive insurance protecting the permittee in an amount no less than \$1million per occurrence.
- No cannabis or alcohol consumption on the premises of Pivot Naturals' facility.
- No visible cannabis, cannabis products or cannabis related graphics visible from the exterior of its facility.
- No one under the age of 21 will be permitted entrance into Pivot Naturals' facility.
- Clear and visible notices will be posted at entrances of the facility prohibiting the consumption of cannabis in any form on site or adjacent to Pivot Naturals' facility.
- No odor will be detectable offsite of Pivot Naturals' premises/facility.
- City permits and licenses will be displayed in a conspicuous place inside of Pivot Naturals' facility.
- No loitering will be permitted on or adjacent to the premises of Pivot Naturals' facility.

Pivot Naturals also fundamentally models itself around what is colloquially known as the "Cole Memo." In August of 2013, then Deputy Attorney General of the United States James Cole issued some very solid, foundational guidelines for cannabis operators in states that had passed cannabis legalization laws that conflicted with Federal laws. The "Cole Memo" urged cannabis operators in states with codified cannabis laws to be guided by certain principals such as: not diverting cannabis out of one's respective state, not using a state's cannabis laws to create an illegal front for other illicit narcotics transactions, to have no affiliation with drug cartels or criminal organizations and to do everything in their power to never allow cannabis to fall into the hands of minors.

Upon receiving our Conditional Use Permit and business license from the City of Costa Mesa, Pivot Naturals will file for its temporary license with the state of California. Initially, as manufacturers with a temporary state license awaiting the awarding of our annual license, we will only source our extracted oils used for infusions in our products from other type 6 or type 7 license holders, be it temporary or annual.

Pivot Naturals will further require our licensed oil suppliers to provide us with documentation that the waste material they received to produce said oils came from a cultivator that was either a temporary or annual license holder from the California Department of Agriculture.

Pivot Naturals will require its distributor to possess a temporary or annual license through the California Department of Commerce. Pivot Naturals will also require its distributor to provide documentation that every retailer that purchases Pivot Naturals manufactured cannabis infused products at the wholesale level for retail resale has a temporary or annual license from the state of California.

As temporary license holders, Pivot Naturals will not have access to the California Cannabis Track-and-Trace (CCTT) system used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain and the unique identifier (UID) alphanumeric code or designation used to uniquely identify cannabis and cannabis products on a licensed premise. Pivot Naturals will use the Shipping Manifest template from the California Cannabis portal website to meticulously and diligently log all the cannabis oil received and all the finished, manufactured cannabis products Pivot produces to go into the cannabis retail market during this temporary license transitional period.

While Pivot Naturals is awaiting approval of its annual license from the California Department of Health, it will have its respective managers go through the required system CCTT-Metric Account Manager New Business System Training. Pivot Naturals' managers undertaking this training will have strong previous experience in systems management.

Upon Pivot Naturals receiving its annual license from the California Department of Health, it will implement the California Cannabis Track-and-Trace (CCTT) system accurately, by well trained and qualified staff.

Pivot Naturals will also incorporate the unique identifier (UID) tagging system, per state requirement. Pivot Naturals will be responsible for assigning a CCTT-Metric non repeating UID to each distinct cannabis product it manufactures. This assignment is accomplished by issuing encrypted radio-frequency identification tags to annual licensees.

The assigned UIDs then track the cannabis and cannabis products when they are transferred from one licensee to another. This well-crafted system will help Pivot Naturals control and track all its cannabis infused products. Each of these measures and safeguards creates a solid foundation of control and transparency that will allow for Pivot Naturals' role in the California Cannabis industry to be free of any divergence of product moving across state lines or out of the regulated and controlled track and trace system.

All of Pivot Naturals' management, production team and employees will submit to all the required background checks to ensure that only trustworthy, responsible and reliable people will be in contact with cannabis material. It is also of significant importance to Pivot Naturals that any employee who works in Pivot Naturals' cannabis manufacturing facility has absolutely no history of violent crime or gang/criminal organization affiliation.

Pivot Naturals will have high quality, 24-hour security camera monitoring throughout its entire premises. Pivot Naturals will keep all its cannabis material in a locked facility, monitored by 24-hour surveillance cameras, in facility with a sensor controlled, 24 hour a day alarm system. Only authorized personnel will be permitted onsite. Pivot Naturals' facility will remain secure in the event of a power outage. Any security personnel Pivot Naturals may hire will be licensed by the state of California's Bureau of Security and Investigative Service Personnel.

## **SECURITY:**

Pivot Naturals has previously submitted an extensive Security Plan to the City of Costa Mesa for rigorous review and approval.

This is a highlight of the extensive Security Plan:

### **Measure X Specific Requirements:**

(b)(1)

- (i) Established limited access areas accessible only to marijuana personnel.
- (ii) All cannabis and cannabis products shall be stored in a secured and locked room and will be kept in a manner as to prevent diversion, theft of loss
- (iii) sensors will be installed to detect entry and exit from all secure areas
- (iv) a professionally installed alarm system will be monitored and maintained
- (v) all bars installed only on the interior of the building
- (vi) security personnel will be licensed by the California Bureau of Security and Investigative Services Personnel
- (vii) business has the capability to remain secure and operational during a power outage. All doors will not be released during a power outage

### **Monitored Burglar Alarm:**

Installed by a licensed professional, the Intrusion alarm will provide 24/7 monitoring in remote areas where staff is not always present. The alarm sensors include door/window contacts, motion detection. These alarm sensors systems will be monitored after hours.

### **Security Lighting:**

- Lighting will be provided at all exterior exit doors with a minimum 1-FC lumen.
- Perimeter building lighting will be utilized as crime prevention solution
- Exterior led lighting will serve as a crime deterrent as well as to aid in monitoring of the CCTV system.

Doors and windows will have contacts placed, if broken alarm and siren is activated, security and 24/7 monitoring company notified.

### **Surveillance:**

- The standard will be that surveillance cameras will monitor all locations where cannabis is present

All cameras will be of adequate quality, color rendition, night vision and resolution to identify all individuals on property or adjacent to the exterior of the property. Cameras will record 24 hours day/7 days a week. Camera recording systems will be able to play back quality suitable for viewing up to 180 days. No objects will be placed to obstruct camera views. Cameras will be placed strategically on the exterior of building to view and record the ingress and egress of all vehicles, staff and visitors. Cameras will be placed to view and record all activity in parking lots. Cameras will be placed inside the building to record and identify all personnel in warehouse and rooms. A recording system will be housed in a designed, locked and secured room with access to authorized employees with access cards. A sign-in sheet with date and time will be completed and

maintained when recording room is entered by service personnel. The recording system will be serviced and inspected every quarter. Camera monitors will be reviewed and inspected daily by managers and security

for any camera malfunctions.

**Controlled Access:**

- Security features installed to control access to the facility. While inside the facility, access to areas containing cannabis will be controlled with technology, operating procedures and training.

All access control devices will consist of electrical, mechanical devices to create a perception of risk to offenders and deny them access to targets and escape routes, providing a safe and secured environment. Access control will provide locked, secured doors with capability of tracking all employees with a date and time upon entry to any room. Control access will only allow authorized personnel to certain rooms. All employees will be assigned their own identification number.

**All Product Stored in a Secured and Locked Room:**

- All cannabis will be stored in a secured authorized access only room.

**Crime Prevention:**

- Invitations for quarterly meetings with operators, community, property managers, and City of Costa Mesa staff, police department, fire department, etc.
  - Attendance is optional
  - We will combine with other operators to be efficient

**Notification of City Manager within 24 Hours:**

Per Measure X, Pivot Naturals will notify Costa Mesa's City Manager within 24 hours

- Of significant discrepancies during inventory.
- For diversion, theft, loss or criminal activity.
- For the loss or unauthorized alteration of records related to cannabis.

**Visitor Security**

Visitors are not allowed into the facility without appointment and first being identified at the front entrance. Every visitor and their vehicles are video recorded. The video is stored for 180 days.

Once inside the facility, visitors must sign in. Visitors must be accompanied by an employee at all times. Video surveillance will monitor visitors at all times, including their exit from the facility and property.

**Employee Identification Badges**

City issued Employee Identification Badges will be worn at all times while employees are on the premises.



**Thomas P Johnson, MBA (3 Decades Experience)**



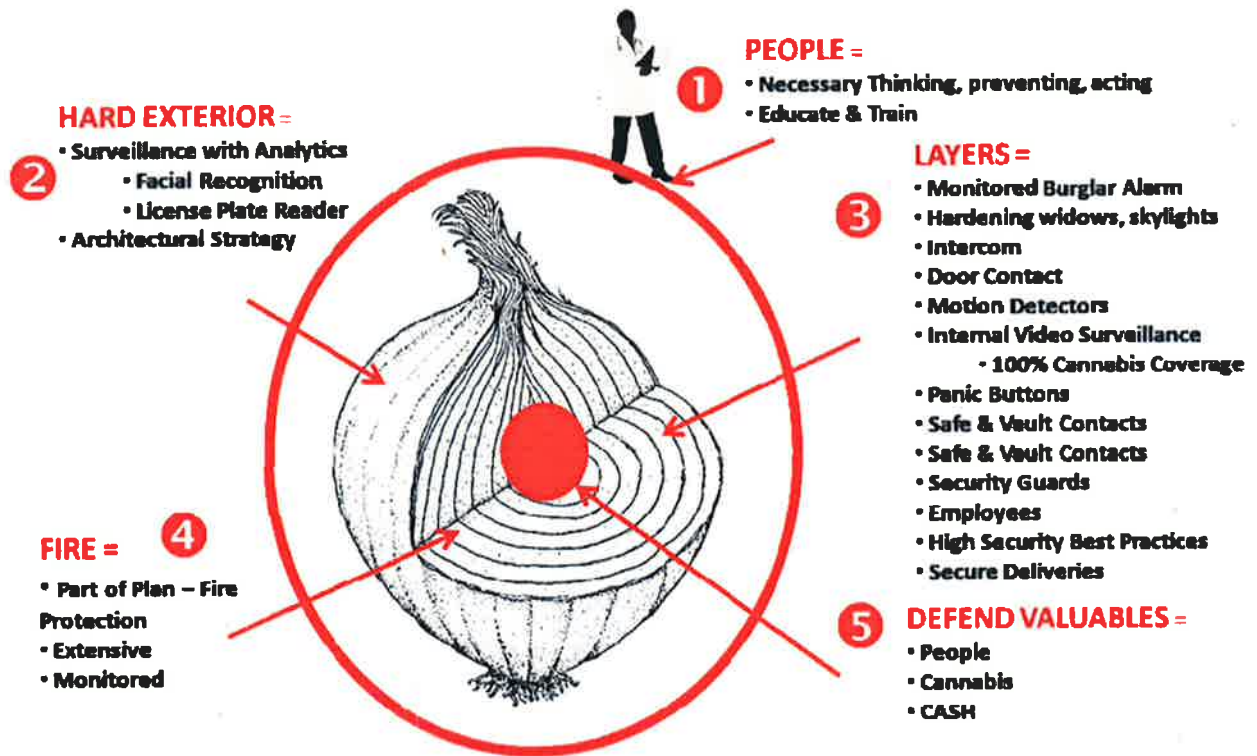
**Commercial Security Systems**

- Intrusion/ Burglar Systems
- Fire Alarm Systems
- Video Surveillance
- Access Control Systems



## LAYERED ONION SECURITY PLAN

A Plan not a System, an integrated weave of Security





### Harden Asset



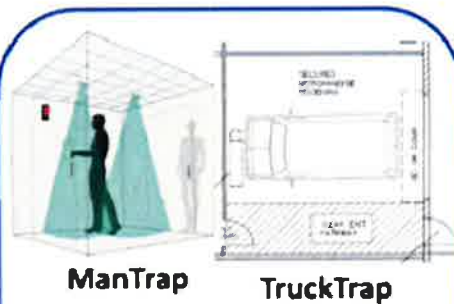
Interior Window Bars



Skylight Bars



Scissor Doors on Whse



ManTrap

TruckTrap



Card Readers  
Secure Access

Intercom



Panic Button



SECURE  
Delivery

### Burglar ALARM



Motion Detector

### Secure Cabinet 6 Months Storage



### Video Surveillance

#### BULLET



With  
"VOICE DOWN"  
TURRET



With  
"ANALYTICS"

360 Degree

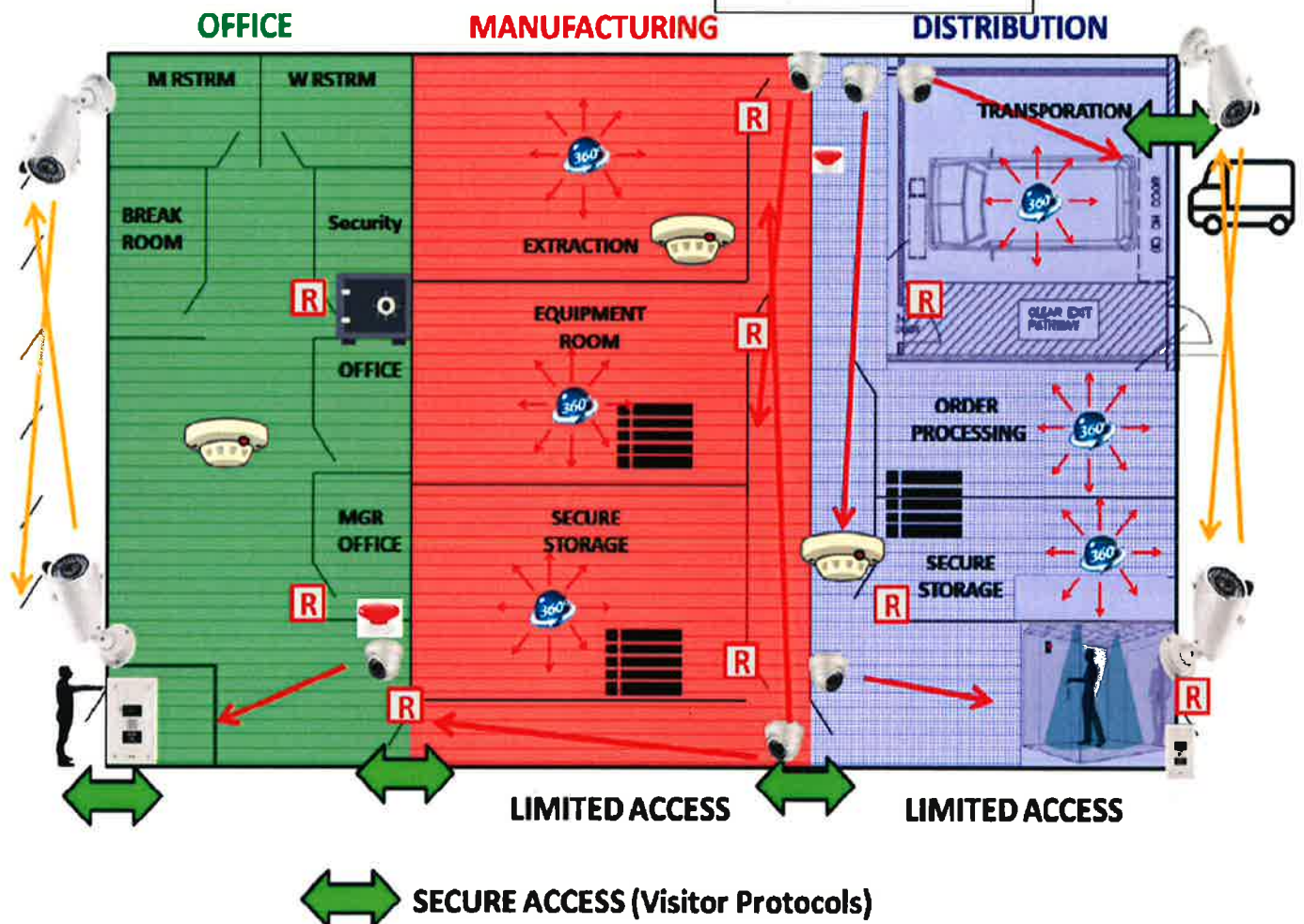


### Fire System



## Strategy Elements of "Layered Onion"

GENERIC EXAMPLE  
NOT ACTUAL



**SAFETY PLAN:**

**No Extraction will occur in this facility**

For this Use, it is to be noted that the process does not touch the plant, so there is no BioMass waste created at this facility. There is no odor or waste created. The operations take processed and refined Cannabis Oils and blend or powderize. This powder form is then infused into products or bulk powder packaging. **No Cannabis Waste is created in this process.**

Any residue from Oil is returned to Oil vendor to be Re-Used in process.

Equipment and vessels receive limited daily cleaning with soap and water. Prior to sanitizing there is a process to wipe and remove any residual cannabis product. The biodegradable towels are then handled as part of green waste process to divert from landfills.

**FIRE LIFE SAFETY PLAN:** The existing building is currently a non-sprinklered structure. The fire protection will be in strict compliance with the National Fire Alarm and Signal Code and the Costa Mesa Fire Department for the occupancy of a business. The fire safety plan will be for a UL listed central station monitored fire alarm system consisting of NFPA approved smoke detectors and manual pull stations in compliance with NFPA fire code.

- **SUPPRESSION:** Provide approved portable fire extinguishers readily available rated Class 2A located no further than 75-linear feet from each other. Provide a yearly fire inspection certification for each portable fire extinguisher.

- **HVAC:** Existing HVAC systems has (3) rooftop AC unit with a total of 10 ton compactly. The rated CFM flow rate is found to be 9,000 CFM > that 2,000 CFM. A duct detector is required by the California Fire Code.

- **ODOR CONTROL:** Marijuana facilities shall install and maintain appropriate ventilation and filtration systems to eliminate odor nuisance standards set forth by the City of Costa Mesa and governing jurisdiction. Generally, the standards may require that the odor of marijuana must not be perceptible at the exterior of the building, at the licensed premises or at any adjoining use of the property. Pivot packaging/manufacturing process does not generate any odor.

- **CONTROL AND ALARM SYSTEM:** 24-hour constant access and fire alarm system shall be provided with constant off-site monitor service. Refer to the Security Plan for specifics.

- **INTERIOR FINISHES:** Interior finishes must comply with flame spread ratings in accordance with Table 803.3 of the CFC.

**DUST PARTICLES / AIR QUALITY:**

- Pivot Naturals' patented process does not generate or produce any air-borne dust or particles.
- Pivot Naturals' patented process consists of a carrier starch combined with oil in an enclosed blender/mixer (see MSDS sheets).
- Once starch and oil are blended together, the specific weight density of the powder is heavier than air, so no air-borne particles will occur in the packaging process.
- Pivot Naturals' technology does not change the molecular structure of the oil. The oil is carried within the starch like water in a sponge.
- Odor controls per Measure X - Marijuana businesses are required to ensure that odors from marijuana are not detectable off-site.
- Pivot Naturals' packaging process does not generate any odor.
- No odor is created when blending oil with starch powder.
- No odor is created when packaging the infused powder.
- Pivot Naturals' will use Bio Science Super Air Sampler to ensure air quality.

**Other Controls:**

- Secondary containment for waste or processed liquids
- Administrative Controls designed to reduce worker exposure to hazards and create more efficient workflow
- Personal protective equipment
- Provide standard operating procedures (SOP)
- Prepare Emergency action plans
- Selection of ergonomic equipment
- Hazard communication programs
- Hygiene-sanitation programs

**Records and Recordkeeping:**

As required by Measure X and the State of California, Pivot Naturals will utilize the mandated Track & Trace system to ensure compliance, prevent diversion and inversion, and be Cole Memo compliant.

This system will track and trace all cannabis from the time it is acquired, through the manufacturing and distribution process until its final destination at a licensed permitted dispensary or manufacturer, including all cannabis waste.

This is the same system that will track, trace and report revenue from which the City of Costa Mesa's tax payments will be supported.

**Audits & Tax Compliance:**

Pivot Naturals will maintain records and conduct audits as required by state and local cannabis ordinances and legislation. Pivot Naturals will utilize the state mandated Track and Trace system which provides full supply chain management and will be the foundation of all auditing and payments.

**Marijuana Tax:**

This business shall pay the City of Costa Mesa an annual business tax of 6% based on gross receipts of the business, unless modified by Costa Mesa City Council.

## **OPERATIONAL INFORMATION**

Operation plans have been submitted to and approved by the City of Costa Mesa under the Marijuana Business Permit Application process.

### **Employees:**

At launch, the operation will have 9 employees. Over time the business will expand to a maximum of 15 employees by the end of the first year of operation.

### **Noise:**

We do not anticipate any operational requirements that will generate noise traveling beyond the property.

### **Hours of Operation:**

We intend to run our manufacturing operations 24 hours a day, as needed periodically, to meet the demand cycle. We will primarily operate our business between the hours of 7AM to 7PM, 7 days a week.

Distribution will require off peak movement of permitted product, both early and late, to reach the entire California market.

Transportation will not occur between the hours of midnight and 5 AM.

### **POS System:**

Operations will have all necessary equipment and technology to meet and exceed Track & Trace, anti-diversion / inversion and be Cole Memo compliant.

### **Substantial Tax Revenue Generation:**

Measure X cannabis uses currently generate 6% of gross revenues. This should become a significant revenue source for the City of Costa Mesa. On the low end, we have projected \$5 million in revenue. Taking a conservative estimate that we achieve that revenue goal and maintain it for 10 years, this should generate \$3 million over 10 years for the City of Costa Mesa.

It is reasonable to estimate that the collective cannabis industry should generate \$200 million within 3 years(with some scenarios higher).

\$200 million in revenue at the current 6% tax rate is \$12 million generated per year.

For perspective, South Coast Plaza generates \$18 million a year in city tax revenue. Cannabis should quickly contribute two-thirds of the tax generated by South Coast Plaza.

**Job Creation:**

At launch, we will have four employees (in addition to the principals), all background checked. Outside of the principals, employees will typically receive between \$30,000 and \$100,000 a year in total compensation.

**Environmental Determination:**

The project is exempt from the provisions of the California Environmental Quality Act under Section 15301, for Existing Facilities.

**Public Notice:**

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification will be completed no less than 10 days prior to the date of the public hearing:

- Mailed notice. A public notice will be mailed to all property owners within a 500-foot radius of the project site, as measured from the external boundaries of the property (See attached Notification Radius Map).
- On-site posting. A public notice will be posted on each street frontage of the project site.
- Newspaper Publication. A public notice will be published once in the Daily Pilot.

**Police and Fire Inspection:** Police and Fire inspections shall be performed for the completed facility to assure compliance with the local ordinances.

**Waste Management:**

**Solid Waste:** Pivot Naturals utilizes all cannabis oils in the packaging process and therefore does not create cannabis waste.

**Liquid Waste:** Pivot Naturals wipes all equipment and vessels with a biodegradable towel to remove any trace cannabis. These towels are handled with green waste and recycled. Facility does not discharge cannabis to the sanitary sewer.

**Tenant Businesses and Security Contacts:**

At any time, if any parties are concerned about operations, direct contact can be made to:

- Patrick Rolfes – Principal/Owner – (714)323-2739



## Conditional Use Permit Letter

### SUPPLEMENTAL – MANUFACTURING WORK FLOW

**Applicant Name:** Pivot Naturals LLC

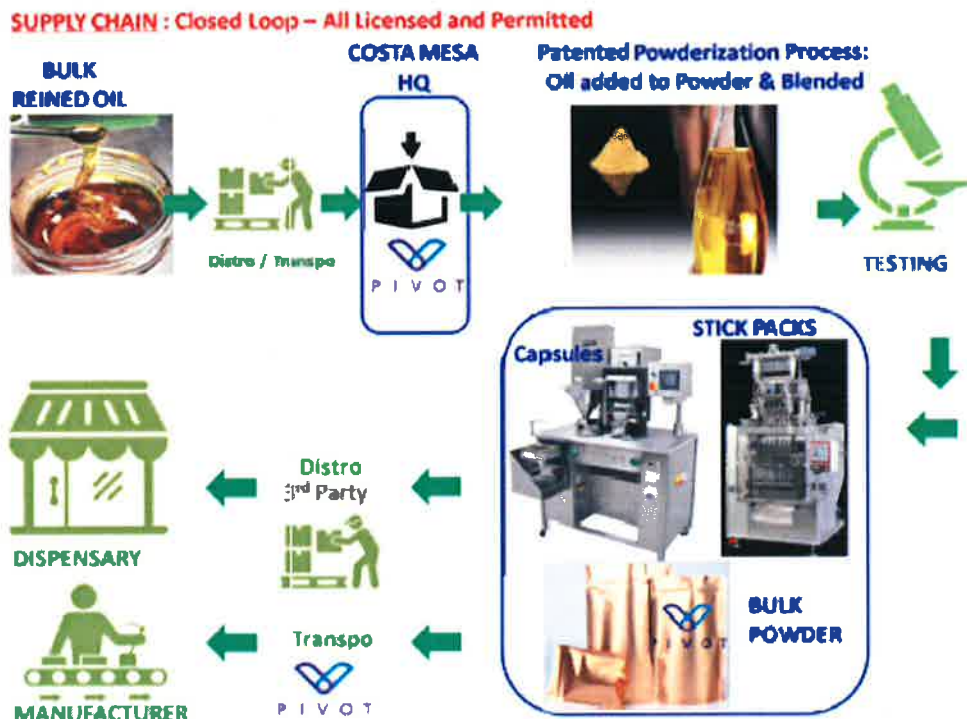
**Business Entity:** LLC

**Operators Business Name:** Pivot Naturals LLC

**Business and Operations Address:** 3595 Cadillac Ave, Unit 101, Costa Mesa, CA 92626

The diagrams to follow are designed to communicate the process flow of how cannabis enters the facility, the anticipated movements, the steps, and the process from start to end.

Pivot Naturals does not touch the plant, there is NO EXTRACTION. Pivot Naturals sources processed and refined oil from other licensed permitted facilities.

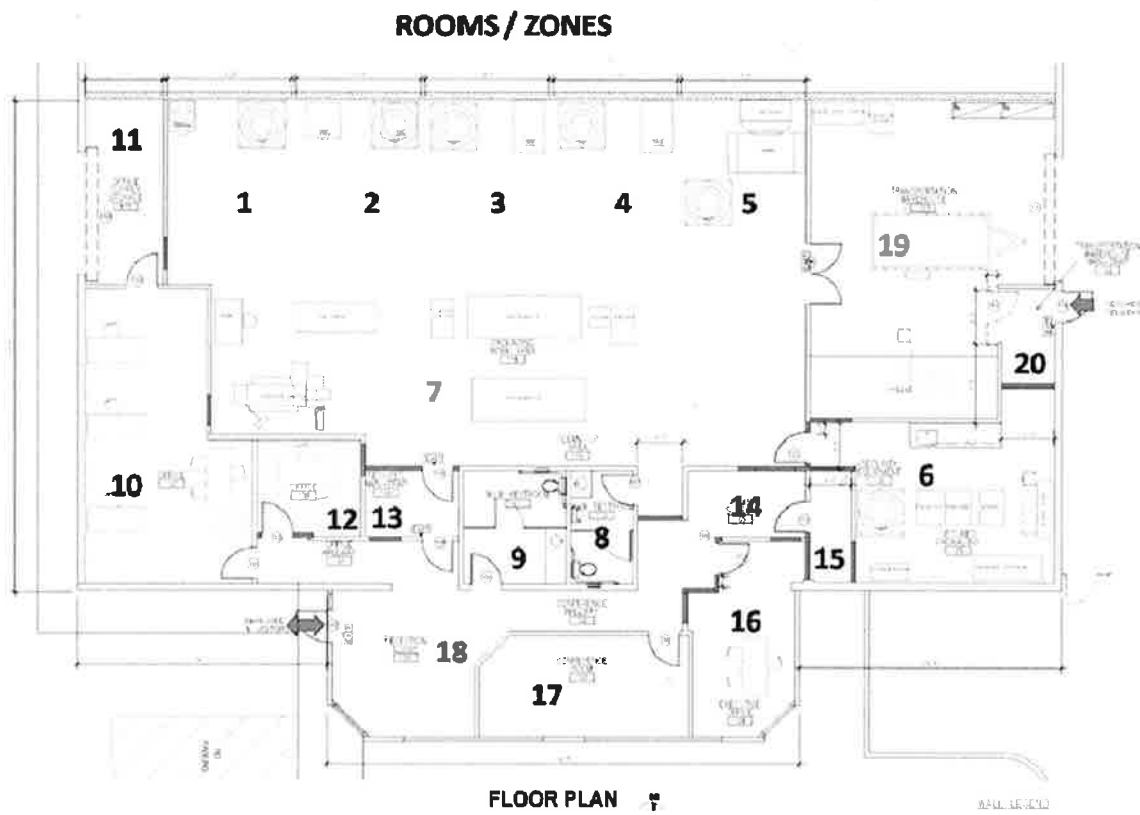


## **Packaging Process**

### **FACILITY "Areas and Rooms"    Labels for Each Room**

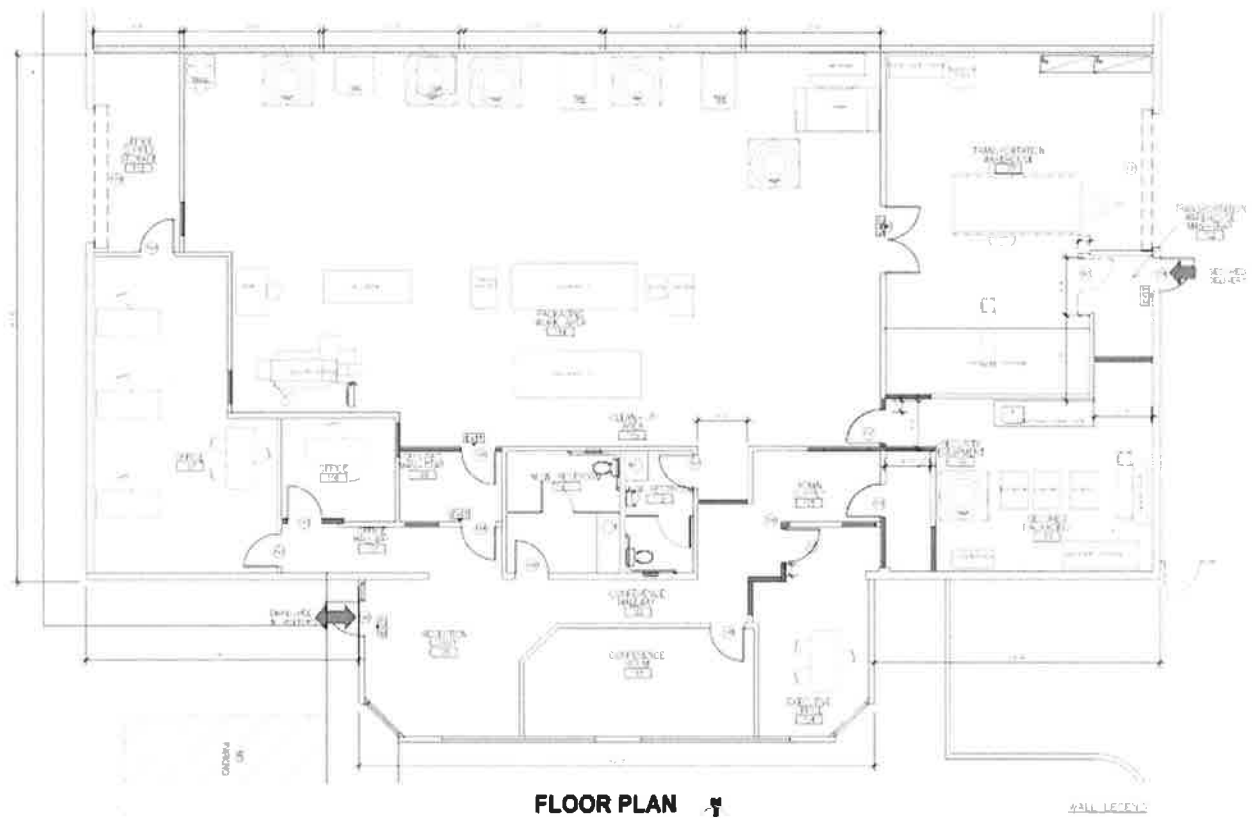
Area 1:	Packaging Area for Tablets/Capsules
Area 2:	Packaging Area for Tablets/Capsules
Area 3:	Packaging Area for Beverages
Area 4:	Packaging Area for Stick Pack Powder
Area 5:	Packaging Area for Bulk Pack Powder
Room 6:	Enclosed Mixing Room for Powder
Area 7:	Finished Packaging Area for Boxing/Labeling
Room 8:	Packaging Area Restroom
Room 9:	Office Area Restroom
Room 10:	Admin Office
Room 11:	Admin Office Supply Storage
Room 12:	Admin Office
Room 13:	Secured Man Trap
Room 14:	Admin Office
Room 15:	Secured – Video/\$ Safe Room
Room 16:	Admin Office
Room 17:	Conference Room
Room 18:	Admin Office
Room 19:	Secured Warehouse
Room 20:	Secured Man Trap

## DIAGRAM OF ROOMS



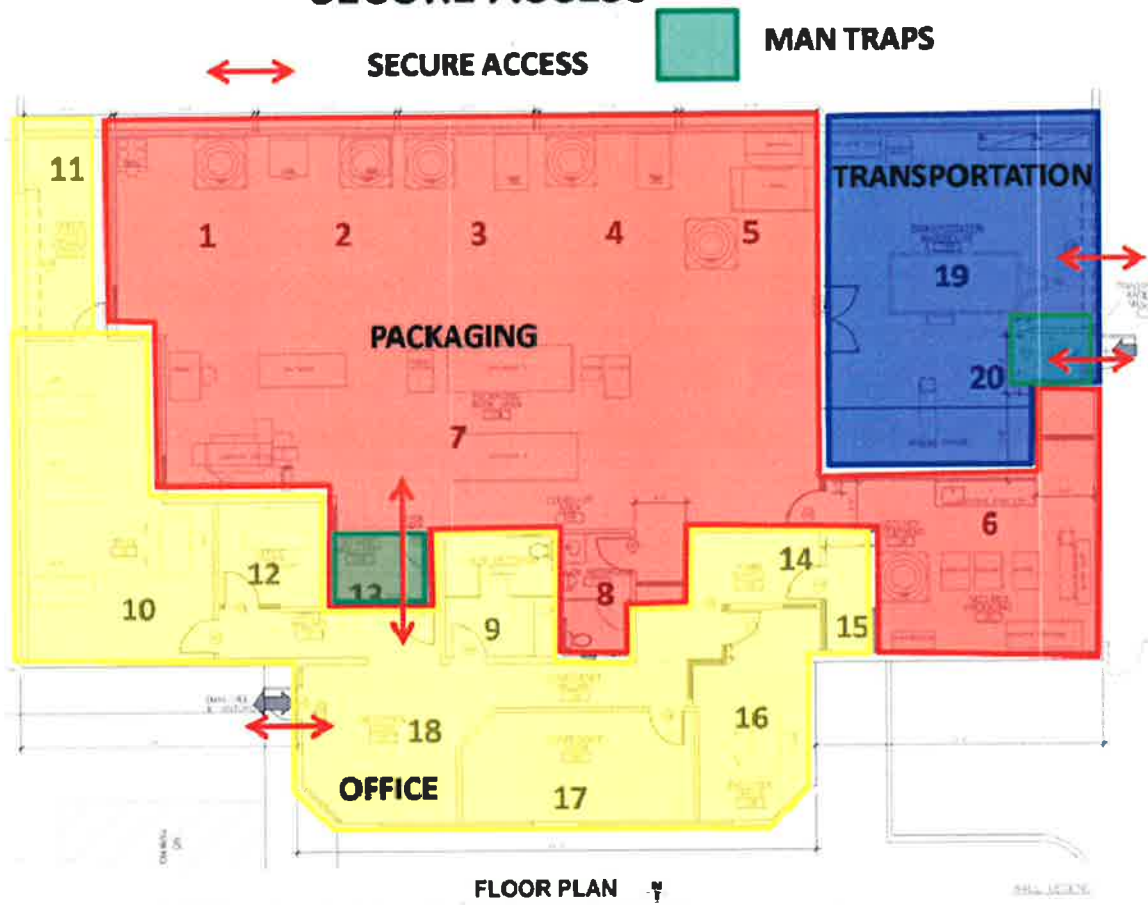
**PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626**

**PROPOSED PLAN :**



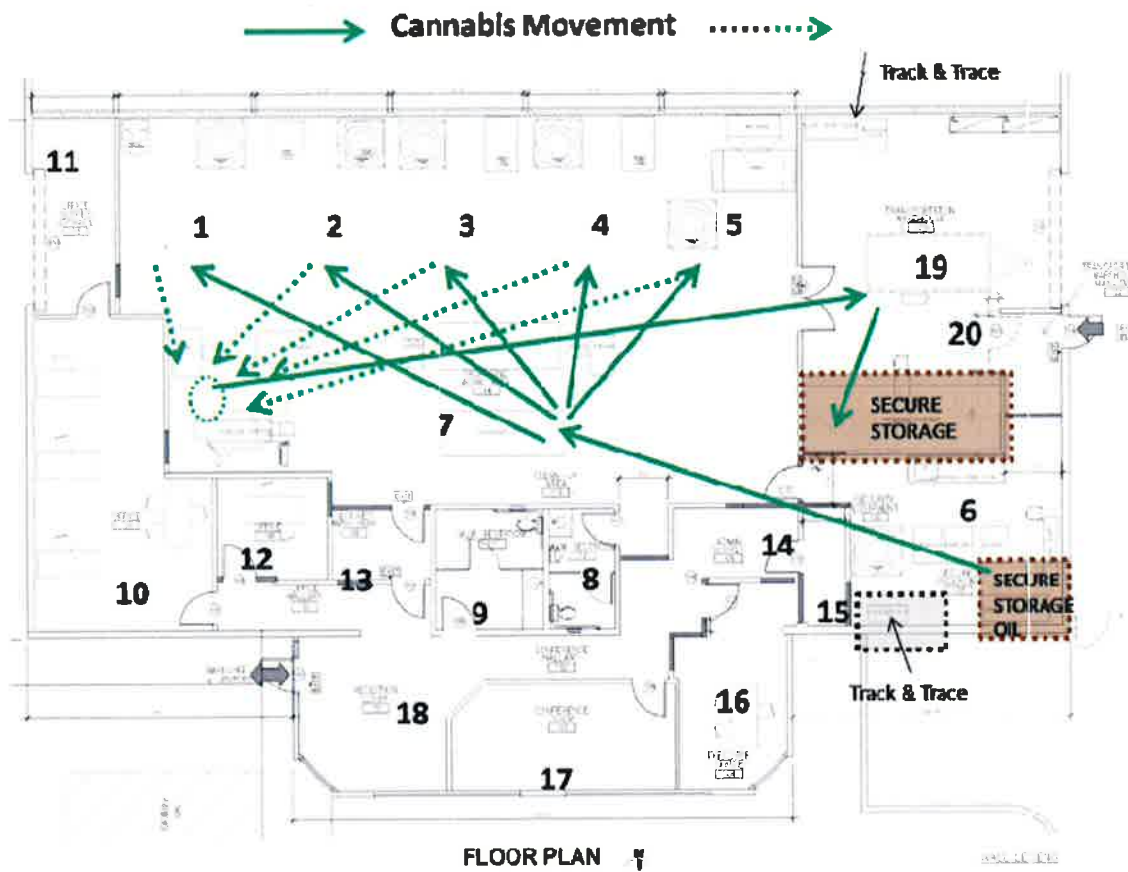
PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626

## SECURE ACCESS

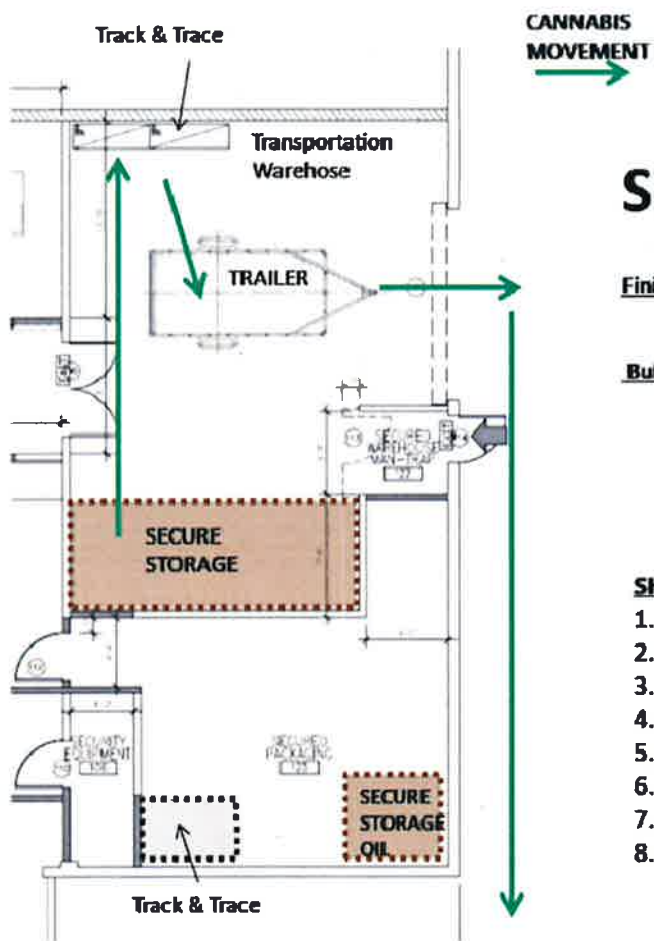


PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626

### Product Movement by Zone



PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626



## SHIPPING:

### Finished Goods

- By Licensed Distributor
- To Licensed Dispensaries

### Bulk Packaged Powder

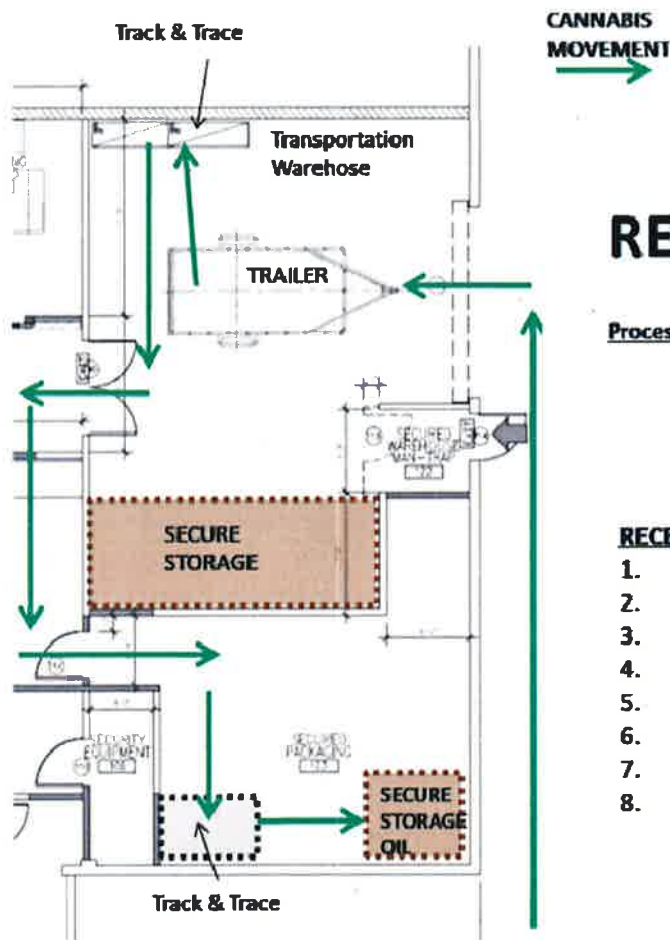
- By PIVOT Transportation
- Or by Licensed Distributor
- To Licensed Manufacturer, Packing, or Distributor

### SHIPPING STEPS

1. SHIPPING by Appointment Only
2. Trailer Arrives
3. Choreographed Process
4. Overhead Door Opened
5. Trailer Enters Transpo Whse
6. Door Closed
7. Goods Loaded
8. Reverse Process for Exit



PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626



## RECEIVING:

### Processed & Refined Oils

- By Licensed Distributor
- By PIVOT Transportation

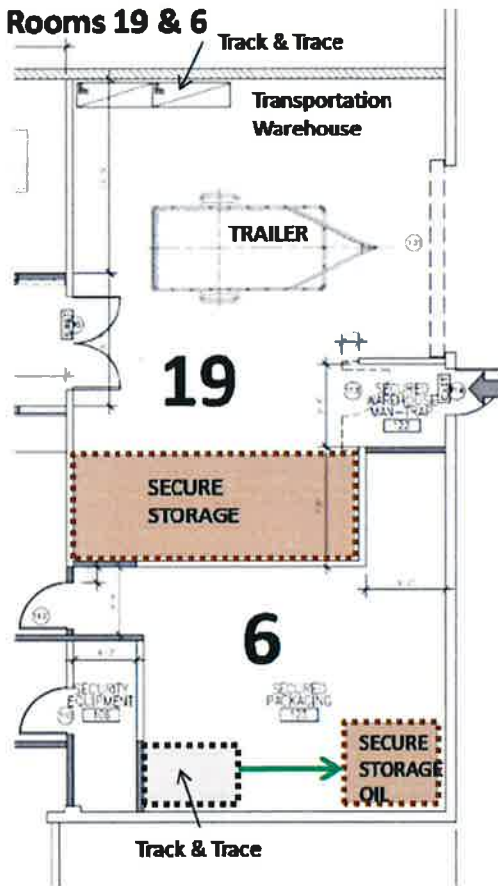
### RECEIVING STEPS

1. RECEIVING by Appointment Only
2. Trailer Arrives
3. Choreographed Process
4. Overhead Door Opened
5. Trailer Enters Transpo Whse
6. Door Closed
7. Oils UnLoaded
8. Reverse Process for Exit

PIVOT NATURALS LLC 3595 Cadillac, Unit 101 Costa Mesa, CA 92626

## SECURE STORAGE LOCATIONS

### Rooms 19 & 6



## Manufacturing Process

### Receive Cannabis Extracted Oils

- Only sourced from licensed Type 6 or Type 7 extractors.
- Pivot will primarily use Co2 extracted oils.
- A pound of extracted oil can yield approximately 35,000 (10mg) doses of an edible product.
- Oils will be tested at a licensed lab to ensure that they are free of pesticides, residual solvents and have a documented potency.
- Entered into the CCIT Track and Trace System.



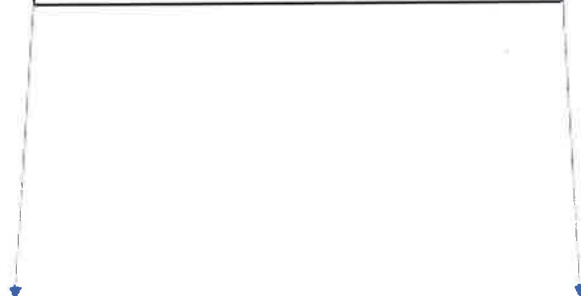
### Powderize Cannabis Oils

- Patented Process.
- Turning oil into a powder form creates greater ease of manufacturing infused products.
- Accurate, controlled, homogenized & scalable.
- Powder accurately runs through automated manufacturing equipment.
- Powders used are Protein, Starch, Vitamin C, B12 and Lecithin.
- Infused powder will be sent to a licensed lab to ensure potency accuracy and proper homogenization.



### Lab Tested, Infused Powders

- Will be run through capsule making equipment and stick packing equipment.



### Capsule Manufacturing Equipment



- Productive Capacity-100,000 Capsules per day.
- Approximately 3 lbs. of extracted oil per day could be used in Pivot capsule manufacturing process.



### Stick Packing Equipment



- Productive Capacity-35,000 packets per day.
- Approximately 1 lb. of extracted oil could be used in Pivot stick pack manufacturing process.



### Manufactured Capsule and Stick Packs

- Will be packed into bottles, retail and shipping boxes, prepared for shipment.
- Pivot will label each box/package with the mandated UID tag.
- Products will be marked "A" or "M" respective to their intended use for the Adult Use or Medical markets.

#### Licensed Distributor

- Will take possession of Pivot's finished capsules and stick packs.
- Transaction to be entered in the CCIT Track and Trace System.
- Will follow the state mandated potency, pesticide and solvent testing protocol.
- After completion of the testing protocol, the distributor will deliver Pivot's finished products to licensed retailer/dispensaries.



#### Licensed Retailer/Dispensary

- Receipt of Pivot's products will be entered into the CCIT Track and Trace System.
- Will sell Pivot's products to qualified medical patients or people over the age of 21.
- Final sale of Pivot's products at the retail level will create a final entry into the CCIT Track and Trace System, completing the seed to sale regulatory scheme.

#### General:

Transport vats utilized to move powderized product from secured blending room to each packaging rooms.



## Areas/Rooms

**117 - Area 1:** Packaging Area for Tablets/Capsules

**118 - Area 2:** Packaging Area for Tablets/Capsules

**119 - Area 3:** Packaging Area for Beverages

**120 - Area 4:** Packaging Area for Stick Pack Powder

**121 - Area 5:** Packaging Area for Bulk Pack Powder

**124 - Area 6:** Secured Packaging - Enclosed Mixing Room for Powder

- Stainless Steel Sinks
- Lab Press
- Labmaster Blender
- Water Baths
- Balance

**114 - Area 7 -** Finished Packaging Area for Boxing/Labeling

- Desk & Table
- Balance
- Tablet Sorter
- Inspection Conveyor
- Heat Sealing Bundler

## Areas/Rooms (cont.)

<b><u>112 - Area 8:</u></b>	Packaging Area Restroom
<b><u>111 - Area 9:</u></b>	Office Area Restroom
<b><u>107 – Area 10:</u></b>	Admin Office
<b><u>113 - Area 11:</u></b>	Admin Office Supply Storage
<b><u>107 - Area 12:</u></b>	Admin Office
<b><u>109 - Area 13:</u></b>	Secured Man Trap
<b><u>105 - Area 14:</u></b>	Admin Supply
<b><u>106 - Area 15:</u></b>	Security Equipment – Video/\$ Safe Room
<b><u>104 - Area 16:</u></b>	Admin Office
<b><u>103 - Area 17:</u></b>	Conference Room
<b><u>100 - Area 18:</u></b>	Reception Lobby
<b><u>121 - Area 19:</u></b>	Secured Warehouse <ul style="list-style-type: none"><li>• Platform Scale</li></ul>
<b><u>122 - Area 20:</u></b>	Secured Man Trap
<b><u>115 – Area 7:</u></b>	Clean Up Area <ul style="list-style-type: none"><li>• Stainless Steel Sinks</li></ul>



## **Manufacturing - Packaging:**

### **Extractions**

- **No extraction or processing & refining** will take place at this facility.
- Company will buy bulk processed oil and blend into a powderized form

### **Manufacturer Types:**

This facility will operate a Type 13 – Infused License Type

### **Packing Equipment Methods:**

Pivot Naturals proposes to produce, prepare, or compound cannabis by using the following methods of production:

### **Products Produced**

- **Capsules & Tablets**
- **Stick Packs**
- **Bulk Powder**
- **Beverages**

# SAFETY PLAN

## Pivot Naturals LLC



**PREPARED BY:**

SC Consulting Group  
5151 California Ave, Suite 100  
Irvine, CA 92617

September 10, 2018



## I. BUSINESS ENTITY

### Pivot Naturals LLC – Packaging/Manufacturing & Distribution/Transportation Facility

Address: 3595 Cadillac Ave. Suite 101, Costa Mesa, CA 92626

The existing tenant space is a single-story warehouse/office structure that is currently vacant. The proposed business is for a legal cannabis manufacturing and distribution facility.

#### Definition

*“Manufacturer Type N - Infusion” means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.*

*“Transportation” means the transport of cannabis and cannabis products between licensees.*

#### Products and goods

Processed and refined oil are delivered to Pivot Naturals’ facility. No oil extraction occurs on site. This is low intensity use. Since Pivot Naturals will not be handling plant material and will only be handling refined cannabis oils, no odor will be present in the facility. Pivot Naturals will produce: Capsules, Tablets, Stick Packs, Bulk Powder and Beverages with their patented technology (U.S. PAT NO. US 9,629,886).

## II. APPLICABLE BUILDING CODES

2016 California Building Code (CBC)  
2016 California Fire Code (CFC)  
2016 California Mechanical Code (CMC)  
2016 California Plumbing Code (CPC)  
2016 California Electrical Code (CEC)

## III. PROJECT DATA AND BUILDING INFORMATION

Use:	Packaging/Manufacturing	CBC Ch.306
Occupancy:	F-1 and B	CBC Ch.306
Size of space:	5,283-SF	
CBC Allowable Area:	5,283-SF <48,000 (allow) <b>OK F-1</b>	CBC Table 506.2
Construction:	Type III-B, 1 story	
Sprinklered:	Not fire sprinklered, not required	
High Pile Storage:	No high pile storage will be provided	

**IV. FIRE PREVENTION, SUPPRESSION, HVAC, ODOR CONTROL AND ALARM SYSTEM FOR THE FACILITY**

- **FIRE PREVENTION:** 2016 California Building Code analysis does not require an automatic fire sprinkler system for the F-1 occupancy within a 1-story Type III-B building construction.
- **FIRE LIFE SAFETY PLAN:** The existing building is currently a non-sprinklered structure. The fire protection will be in strict compliance with the National Fire Alarm and Signal Code and the Costa Mesa Fire Department for the occupancy of a business. The fire safety plan will be for a UL listed central station monitored fire alarm system consisting of NFPA approved smoke detectors and manual pull stations in compliance with NFPA fire code.
- **SUPPRESSION:** Provide approved portable fire extinguishers readily available rated Class 2A located no further than 75-linear feet from each other. Provide a yearly fire inspection certification for each portable fire extinguisher.
- **HVAC:** Existing HVAC system has (3) rooftop AC units with a total of 10 ton capacity. The rated CFM flow rate is found to be 9,000 CFM > that 2,000 CFM. A duct detector is required by the California Fire Code.
- **ODOR CONTROL:** Marijuana facilities shall install and maintain appropriate ventilation and filtration systems to eliminate odor nuisance standards set forth by the City of Costa Mesa and governing jurisdiction. Generally, the standards may require that the odor of marijuana must not be perceptible at the exterior of the building, at the licensed premises or at any adjoining use of the property. Pivot Naturals' packaging/manufacturing process does not generate any odor.
- **CONTROL AND ALARM SYSTEM:** 24-hour constant access and fire alarm system shall be provided with constant off-site monitor service. Refer to the Security Plan for specifics.
- **INTERIOR FINISHES:** Interior finishes must comply with flame spread ratings in accordance with Table 803.3 of the CFC.

**FUMIGATION AND INSECTICIDAL FOGGING**

Pivot Naturals does not handle any plant materials. Pivot Naturals will contract with an independent pest control service for general insect and rodent control for health and safety reasons.

**V. ASSESSMENT OF FACILITY'S FIRE SAFETY**

- **EXITS, EXIT SIGNAGE and EGRESS**
  - Pivot Naturals will provide (2) exits in accordance with Table 1006.2.1 and Table 1006.3.2 (2) and Section 1017.2 of the CFC.
  - The means of egress shall be clear and visible and cannot be concealed in any way.
  - Exit egress doors shall swing in the direction of egress travel.
  - Provide illuminated exit signs that are readily visible from any direction of egress travel.
  - Intermediary exit signs may also be required per Section 1013 of the CFC.
  - Provide battery back light for the exit path of travel. Lighted path of travel must be illuminated at least 1-FC.

- **AISLES**

- Provide clear aisles to facilitate rapid evacuation of occupants and provide emergency egress in the event of an emergency. Provide aisles with a minimum clear width of 36" and 44" wide where required as part of the accessible path for exit corridor and final review by the Building Officials.

- **ELECTRICAL WIRING, EXTENSION CORDS, APPLIANCE AND LIGHTING**

- Provide sign at door of Electrical Room
- Electrical panels and electrical disconnect switches must be accessible at all times and with a clearance of 30 inches wide (wider for panels and equipment that exceeds 30 inches in width), 36 inches deep, and 78 inches high and are required to be maintained free from storage.
- Provide good maintenance and repair of exposed wiring, open junction boxes, or damaged equipment that could present an electrical shock or fire hazard.
- Provide power strips with built-in over current protection ("circuit breakers") are allowed, provided they are plugged directly into a permanent electrical receptacle. Power strips may not be plugged into additional power strips (daisy chaining). A power strip's cord may not be run through walls, above ceilings, or under doors or floor coverings. If power strips show evidence of physical damage, they must be replaced.
- Extension cords may only be used to provide temporary power to portable electric appliances. Extension cords may not be used as a substitute for permanent wiring, and may not be affixed to structures, extended through walls, ceilings or floors, or under doors or floor coverings. Multi-outlet extension cords that do not have built-in over current protection ("circuit breakers") are not allowed. If extension cords show evidence of physical damage, they must be replaced immediately.
- The facility shall not have any flammable gases and liquids on the premise at anytime.

- **PREMISE IDENTIFICATION**

- Provide with address identification on the front of the Building per the Fire Department.

- **EMERGENCY POWER SYSTEM**

- 90-minute emergency lighting battery power invertors for emergency life safety exit lights
- Provide separate UPS system for all security systems for egress hardware (doors), security cameras, monitors and alarms. The UPS system will be sized to power the facility for a minimum 24-hour after a power failure.

- **FIRE DEPARTMENT ACCESS**

- Buildings/facilities must have at least one all-weather road that is wide enough and strong enough to support the size and weight of fire department apparatus. Roads must extend close enough to buildings to allow for firefighting operations. Roads may have special requirements for "fire lane" signage to disallow parking. A means for turning fire department apparatus around may be required for roads that contain dead ends or no outlet. Gates or barricades that obstruct roads must be approved by the fire department.
- All required exterior doors must remain operable for emergency access by firefighters.

Eliminating the function of any exterior doors requires prior approval that cannot be granted in every circumstance, and where allowed, the door must be marked with a sign stating, 'THIS DOOR BLOCKED.'

- Certain equipment rooms contained within a building may require identifying signage to aid firefighters.
  - Rooms containing fire protection equipment.
  - Rooms containing controls for air-conditioning equipment.
  - Rooms containing utility equipment for gas or electrical service.

## **VI.    DUST PARTICLES / AIR QUALITY**

- Pivot Naturals' patented process does not generate or produce any air-borne dust or particles.
  - Pivot Naturals' patented process consists of a carrier starch combined with oil in an enclosed blender/mixer (see MSDS sheets).
  - Once starch and oil are blended together, the specific weight density of the powder is heavier than air, so no air-borne particles will occur in the packaging process.
  - Pivot Naturals' technology does not change the molecular structure of the oil. The oil is just carried within the starch like water in a sponge.
- Odor controls per Measure X - Marijuana businesses are required to ensure that odors from marijuana are not detectable off-site.
  - Pivot Naturals' packaging process does not generate any odor.
  - No odor is created when blending oil with starch powder.
  - No odor is created when packaging the infused powder.
- Pivot Naturals will use Bio Science Super Air Sampler to ensure air quality.

### **267 - Air Sampler**



Pbi SAS Super Air Sampler.

## **VII.    PACKAGING CONTROLS**

- Administrative controls designed to reduce worker exposure to hazards and create more efficient workflow
- Personal protective equipment
- Provide standard operating procedures (SOP)
- Prepare Emergency action plans
- Selection of ergonomic equipment
- Hygiene/Sanitation programs

## HMIS

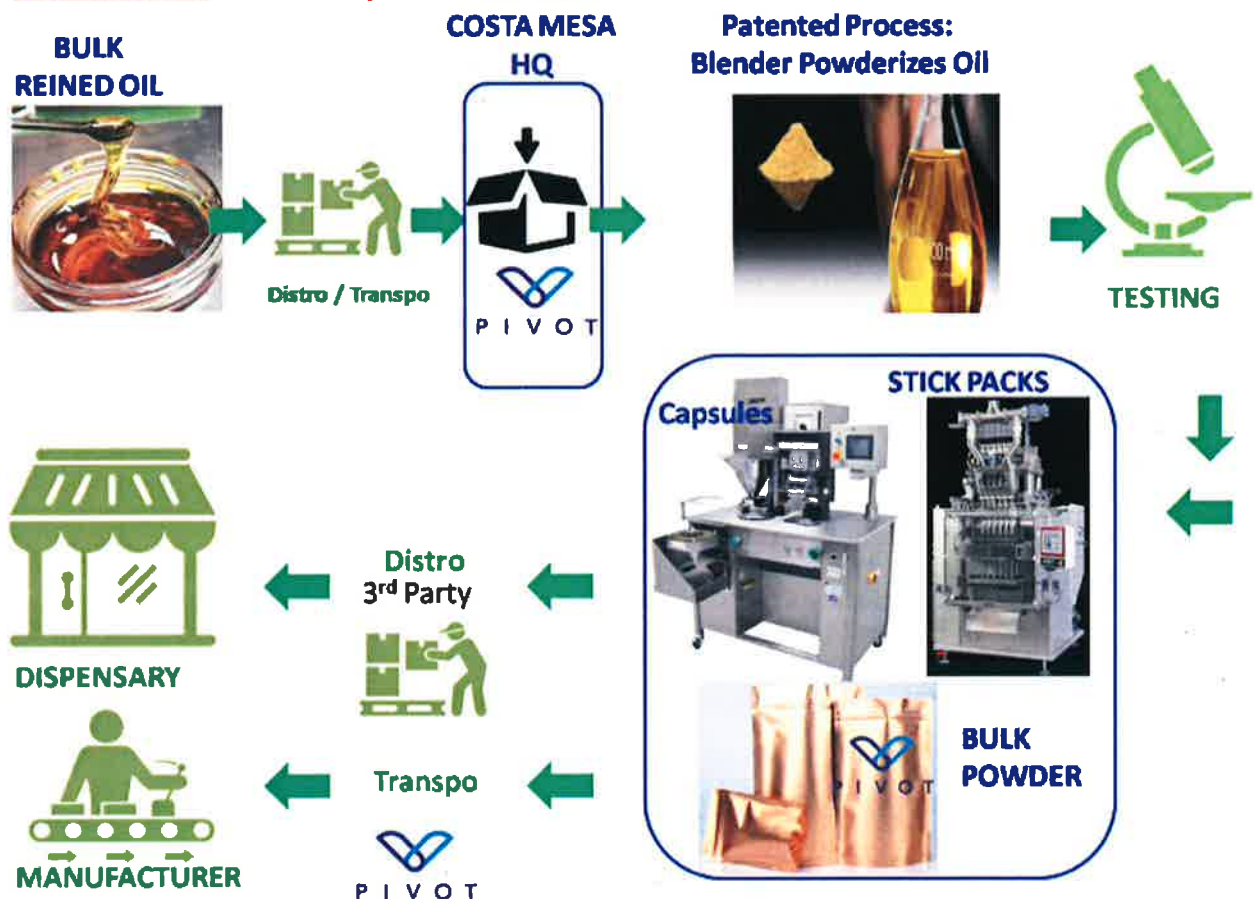
- Pivot Naturals does not use any hazardous materials in its facility.
- Prior to sanitizing, blending and packaging equipment, and transfer vessels, there is a procedure to wipe down and remove any residual cannabis product using biodegradable towels. The towels are handled as part of green waste process to divert from landfills.

## VIII. POST EXTRACTION REFINEMENT PROCESS

- There is no oil extraction or refinement process at Pivot Naturals' facility.
- Refined cannabis oil is sourced from other licensed manufacturers.
- Refined cannabis oil is transported to the Pivot Naturals facility by licensed transporters.

## IX. FINISHED PRODUCT

**SUPPLY CHAIN: Closed Loop – All Licensed and Permitted**





#### Receive Cannabis Extracted Oils

- Only sourced from licensed Type 6 or Type 7 extractors.
- Pivot will primarily use Co2 extracted oils.
- A pound of extracted oil can yield approximately 35,000 (10mg) doses of an edible product.
- Oils will be tested at a licensed lab to ensure that they are free of pesticides, residual solvents and have a documented potency.
- Entered into the CCIT Track and Trace System.



#### Powderize Cannabis Oils

- Patented Process.
- Turning oil into a powder form creates greater ease of manufacturing infused products.
- Accurate, controlled, homogenized & scalable.
- Powder accurately runs through automated manufacturing equipment.
- Powders used are Protein, Starch, Vitamin C, B12 and Lecithin.
- Infused powder will be sent to a licensed lab to ensure potency accuracy and proper homogenization.



#### Lab Tested, Infused Powders

- Will be run through capsule making equipment and stick packing equipment.



### Capsule Manufacturing Equipment



- Productive Capacity-100,000 Capsules per day.
- Approximately 3 lbs. of extracted oil per day could be used in Pivot capsule manufacturing process.



### Stick Packing Equipment



- Productive Capacity-35,000 packets per day.
- Approximately 1 lb. of extracted oil could be used in Pivot stick pack manufacturing process.



### Manufactured Capsule and Stick Packs

- Will be packed into bottles, retail and shipping boxes, prepared for shipment.
- Pivot will label each box/package with the mandated UID tag.
- Products will be marked "A" or "M" respective to their intended use for the Adult Use or Medical markets.

#### Licensed Distributor

- Will take possession of Pivot's finished capsules and stick packs.
- Transaction to be entered in the CCIT Track and Trace System.
- Will follow the state mandated potency, pesticide and solvent testing protocol.
- After completion of the testing protocol, the distributor will deliver Pivot's finished products to licensed retailer/dispensaries.



#### Licensed Retailer/Dispensary

- Receipt of Pivot's products will be entered into the CCIT Track and Trace System.
- Will sell Pivot's products to qualified medical patients or people over the age of 21.
- Final sale of Pivot's products at the retail level will create a final entry into the CCIT Track and Trace System, completing the seed to sale regulatory scheme.

Transport vats utilized to move powderized product from Secured Packaging Room to each Packaging Room.

#### ★ 971 - (2) S.S Cone Shaped Portable Product Transfer



Apache (2) S.S Cone Shaped Portable Product Transfer Conical Tote, 22"D Top Port with lid and 8" Hand Valve on Bottom. Fabricated to fit Bohle Lift/Blender and Standard Forklift. (Approx.: Overall Dims = 54"W x 52"H)

### **Manufacturing**

- Pivot Naturals' patented process does not generate or produce any air-borne dust or particles. There is no extraction or refinement process that occurs at this facility.

### **Extractions**

- No extraction or refining of cannabis oil will take place at this facility.
- Pivot Naturals will buy processed oil and blend into their patented powderized form.

### **Manufacturer - Type N License**

- This facility will operate a Type N – Manufacturing of Infused products license type.

### **Distributor/Transporter (Only) - Type 13 License**

- This facility will be set up to transport to other licensed manufacturers and distributors.

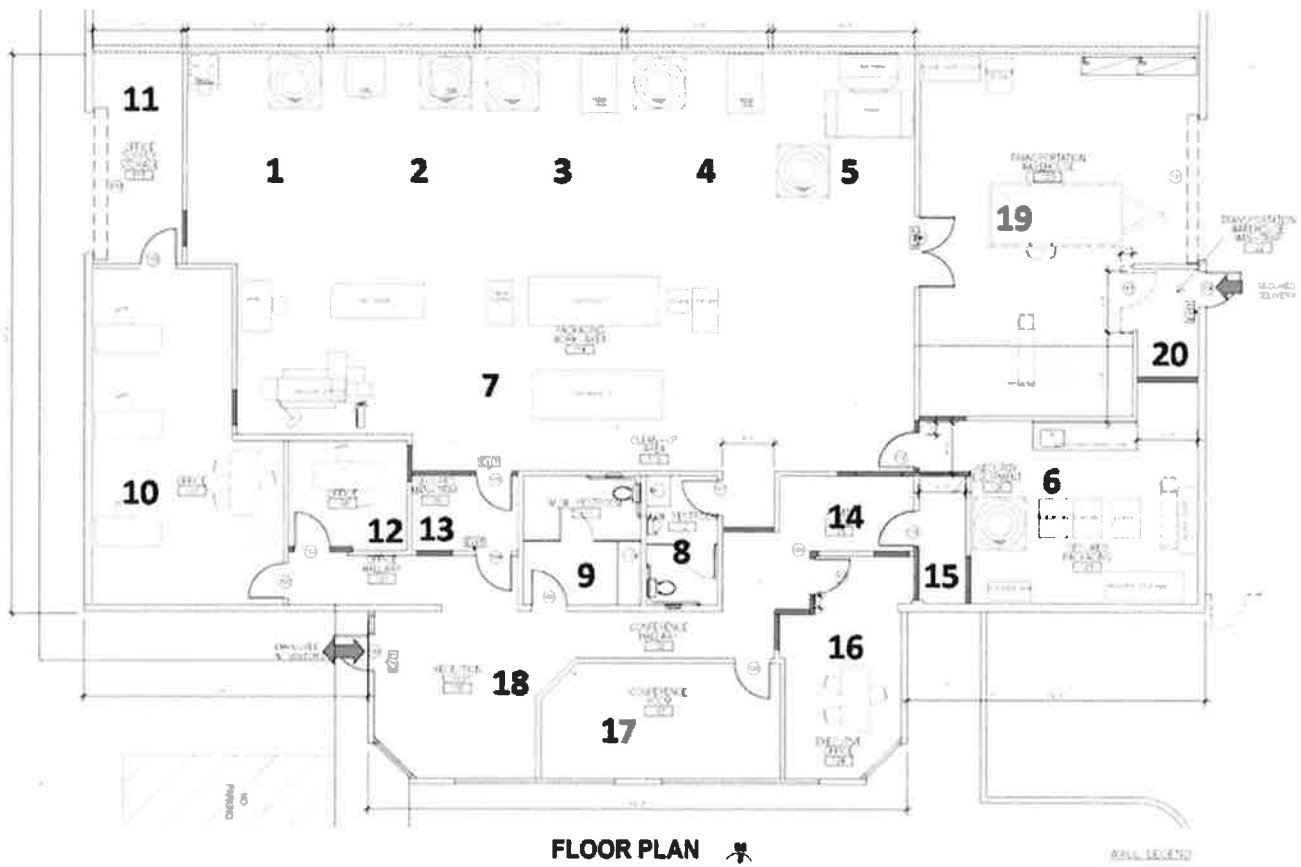
### **Packing Equipment Methods**

Pivot Naturals plans to package cannabis in the following finished goods:

- **Capsules & Tablets**
- **Stick Packs**
- **Bulk Powder**
- **Beverages**



### ROOMS / ZONES



## Areas/Rooms

- 114 - Area 1:**                    Packaging Area for Tablets/Capsules
- 114 - Area 2:**                    Packaging Area for Tablets/Capsules
- 114 - Area 3:**                    Packaging Area for Beverages
- 114 - Area 4:**                    Packaging Area for Stick Pack Powder
- 114 - Area 5:**                    Packaging Area for Bulk Pack Powder
- 123 - Area 6:**                    Secured Packaging - Enclosed Mixing Room for Powder
- Stainless Steel Sinks
  - Lab Press
  - Labmaster Blender
  - Water Baths
  - Balance
- 114 - Area 7:**                    Finished Packaging Area for Boxing/Labeling
- Desk & Table
  - Balance
  - Tablet Sorter
  - Inspection Conveyor
  - Heat Sealing Bundler
- 115 - Area 7:**                    Clean Up Area
- Stainless Steel Sinks

## **Areas/Rooms (cont.)**

<b><u>112 - Area 8:</u></b>	Packaging Area Restroom
<b><u>111 - Area 9:</u></b>	Office Area Restroom
<b><u>107 - Area 10:</u></b>	Admin Office
<b><u>113 - Area 11:</u></b>	Admin Office Supply Storage
<b><u>107 - Area 12:</u></b>	Admin Office
<b><u>109 - Area 13:</u></b>	Secured Man Trap
<b><u>105 - Area 14:</u></b>	Admin Supply
<b><u>106 - Area 15:</u></b>	Security Equipment – Video/\$ Safe Room
<b><u>104 - Area 16:</u></b>	Admin Office
<b><u>103 - Area 17:</u></b>	Conference Room
<b><u>100 – Area 18:</u></b>	Reception Lobby
<b><u>121 – Area 19:</u></b>	Secured Warehouse
<b><u>122 - Area 20:</u></b>	Secured Man Trap

## **X. CANNABIS WASTE MANAGEMENT**

- For this use, it is to be noted that Pivot Naturals' process does not touch the plant, so there is no Bio-Mass waste created at this facility.
- The operations take processed and refined cannabis oils and blend with a starch (see MSDS sheets).
- This infused powder is then packaged into capsules, tablets, beverages or bulk powder packaged products.
- No cannabis waste is created in this process.
- Prior to sanitizing blending, packaging equipment, and transfer vessels, there is a procedure to wipe down and remove any residual cannabis product using biodegradable towels.
  - The towels are handled as part of green waste process to divert from landfills.
- Final cleaning is done with soap, bleach and water in the stainless steel 3-compartment sinks.

### **Costa Mesa Waste Management Basis and Purpose**

The purpose of this section is to demonstrate sanitary requirements and waste management procedures for Pivot Naturals' processing and packaging part of the business.

- Pivot Naturals is sustainably minded where recycling and waste diversions are a priority.
- No cannibals waste will be discharged in to the sanitation sewer.
- Pivot Naturals will further ensure that damaged and/or otherwise faulty product shall be returned to the oil vendor from which it was received.
- Any product recalls, or product that fails in testing has specific regulatory return and destruction methodology that must and will be followed.
- For transportation, there is no cannabis waste.

### **Methods to Make Waste Unusable and Unrecognizable**

- No cannabis waste is created therefore not requiring such methods.
- No Bio-Mass waste is created.

### **Proper Waste Disposal**

- No liquid or solid cannabis waste is created, therefore no disposal is required.
- No hazardous and/or dangerous chemicals are used, so no disposal is required.

### **Inventory Tracking of Waste**

- No cannabis waste is created which will be verified within the Track & Trace system.

**XI. ATTACHMENTS**

- MSDS Sheets

**End of Safety Plan**



# MSDS SHEETS

1. Maltodextrin-  
<http://www.foodchemadditives.com/msds/811>
2. Carboxymethyl Cellulose-  
<https://www.mtixtl.com/msds/cmc-msds.pdf>
3. Soy Lecithin-  
[https://www.naturalsourcing.com/downloads/msds/MSDS\\_Soy\\_Lecithin.pdf](https://www.naturalsourcing.com/downloads/msds/MSDS_Soy_Lecithin.pdf)

## Maltodextrin

FOODCHEM is the **Maltodextrin** supplier and manufacturer, engaged in the export and wholesale of Maltodextrin for more than 10 years. The MOQ of Maltodextrin is 500 kgs, if you need only a small amount, please contact the local distributor of Maltodextrin. Any suggestions and questions about the Maltodextrin, please send Email to [inquiry@foodchem.cn](mailto:inquiry@foodchem.cn), we will reply within 24 hours.

E No:	<b>E1400</b>
CAS No.:	9050-36-6
Min. Order:	500KGS
Payment Terms:	L/C,D/A,D/P,T/T,O/A
HS Code:	170290

Maltodextrin, CAS# 9050-36-6, is a polysaccharide manufactured through chemical synthesis of starch, available as White or light-yellow powder. Maltodextrin is widely used as sweeteners. It has the characteristics of low sweetness, no smell, easy digestion, low heat, good solubility, little fermentation property, good filling effect, good moisture absorption, strong thickening, good carrier, good stability and difficult to deteriorate. Maltodextrin is used to increase the viscosity, enhance the product dispersion and solubility of maltodextrin has a good [emulsifying effect](#) and [thickening effect](#). It is widely accepted as safe food additive in many countries. As a professional supplier and manufacturer of food additives, Foodchem International Corporation has been supplying quality Maltodextrin to customers all over the world for over 10 years. If you have any questions or wish to receive a quote, please feel free to reach us by email: [inquiry@foodchem.cn](mailto:inquiry@foodchem.cn) or by phone: +86 21 2206 3075. Our sales person will get back to you in 1 working day.

- Specification
- FAQ
- In-Depth

ITEM	STANDARD
Appearance	White or light-yellow powder
Color in solution	Colorless
DE Value	15-20
Moisture	6.0% max
Solubility	98% min
Sulphate Ash	0.6% max
Iodine Experiment	Not changing blue
PH (5% solution)	4.0-6.0
Bulk Density (compacted)	500-650 g/l
Fatness %	5% max
Arsenic	5ppm max
Lead	5ppm max
Sulfur Dioxide	100ppm max
Total Plate Count	3000cfu/g max
E.coli (per100g)	30 max
Pathogen	Negative

#### **Grade of Maltodextrin**

Food grade maltodextrin is widely used as sweetener and texture stabilizer in food and beverage industries. Foodchem's food grade Maltodextrin is available as light yellow powder(DE Value:10-12/10-15/15-20/20-25 ).

#### **Quality Control**

At Foodchem International Corporation, we apply strict quality control process to all our products. All Maltodextrin we provide has been strictly tested under HACCP and ISO standards and proved to be safe for using as food additive.

#### **Storage & Handling Precaution**

Storage: Maltodextrin should be kept in dry, cool, and shaded place with original packaging, avoid moisture, store at room temperature.

#### **Handling Precaution**

Handling of Maltodextrin should only be performed by personnel trained and familiar with handling of organic chemicals. Avoid skin and eye contact and breathing in dust. Avoid handling which leads to dust formation.

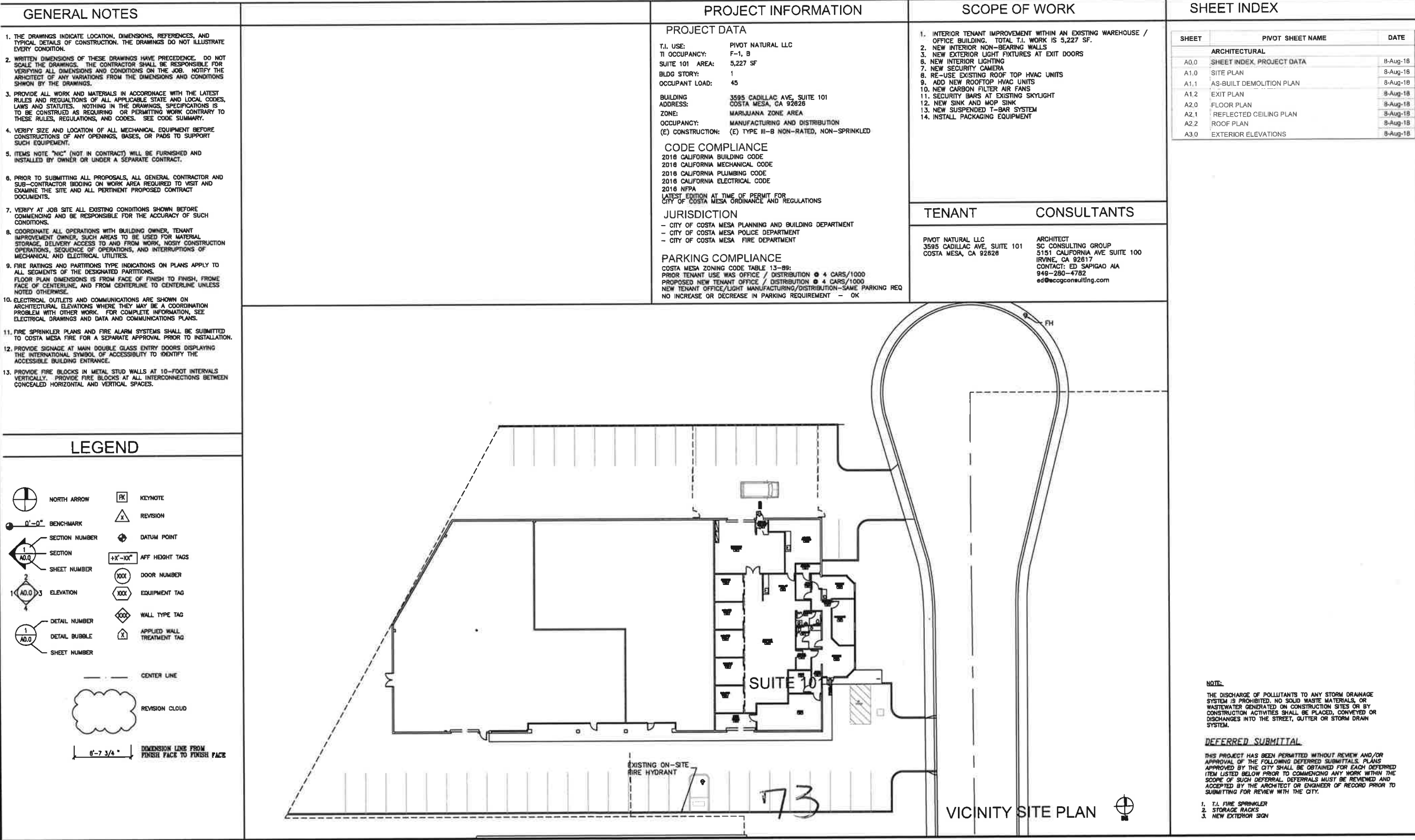
#### **Application and Uses of Maltodextrin**

Maltodextrin is a polysaccharide product widely used as nutritional supplement in food production. As a nutritional supplement, Maltodextrin can be used in a wide variety of industries including: food production, beverage, pharmaceutical, cosmetics, and various other industries.

**END EXHIBIT**

PIVOT NATURALS LLC  
PACKAGING AND TRANSPORTATION FACILITY  
3595 CADILLAC AVENUE, SUITE 101 COSTA MESA, CA 92626

ATTACHMENT 4



T.I. FOR CANNABIS PACKAGING FACILITY

PIVOT NATURALS LLC  
3595 CADILLAC AVENUE SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS		
No.	Description	Date
1	18-6018	20-Aug-18
2	CUP SUBMITTAL	08-AUG-18

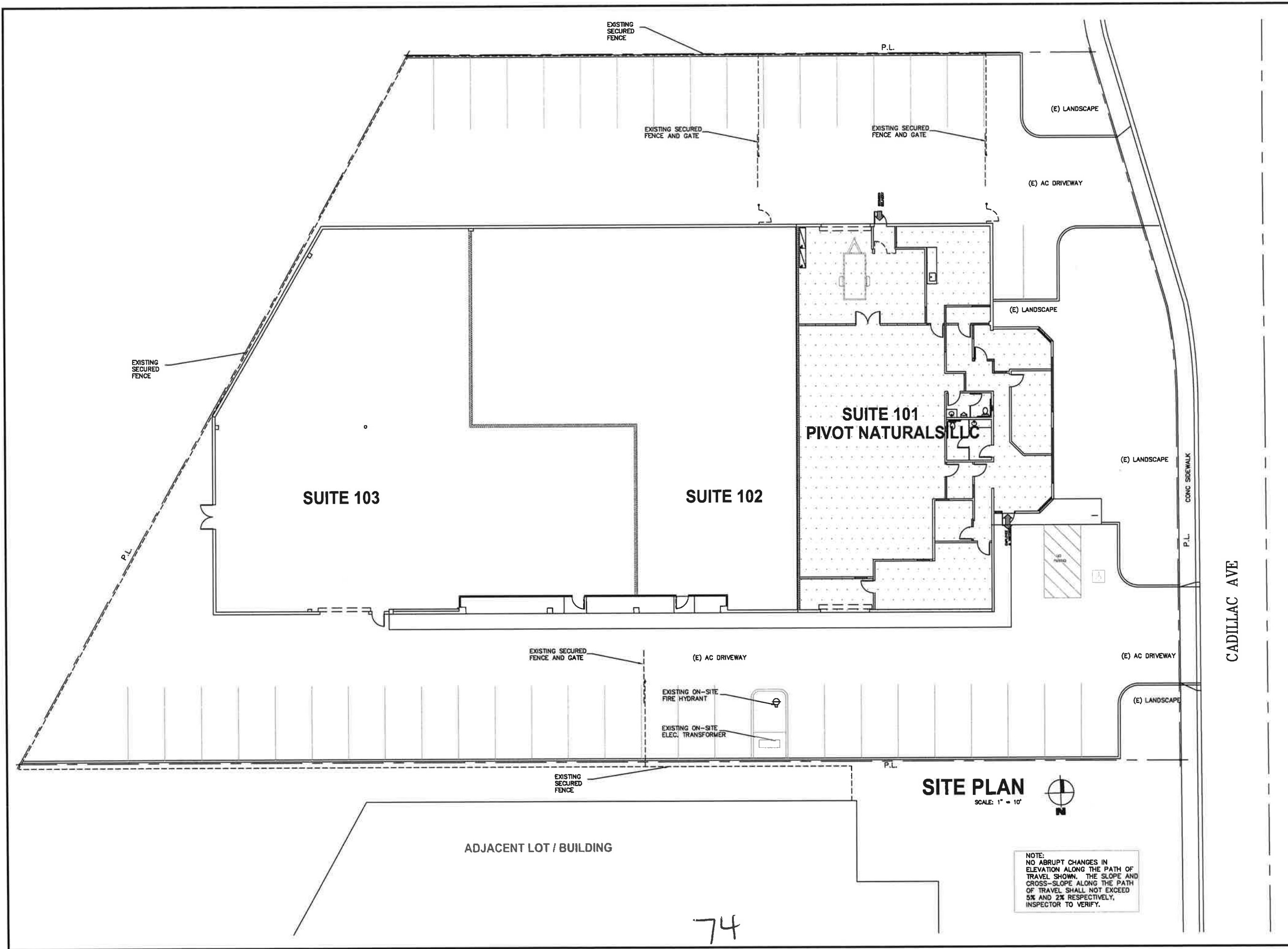
Drawn	
Project #	18-6019
Plot Date	08-AUG-18

Scale:

THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER OF ITS OWNERS PURPOSES WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

A0.0



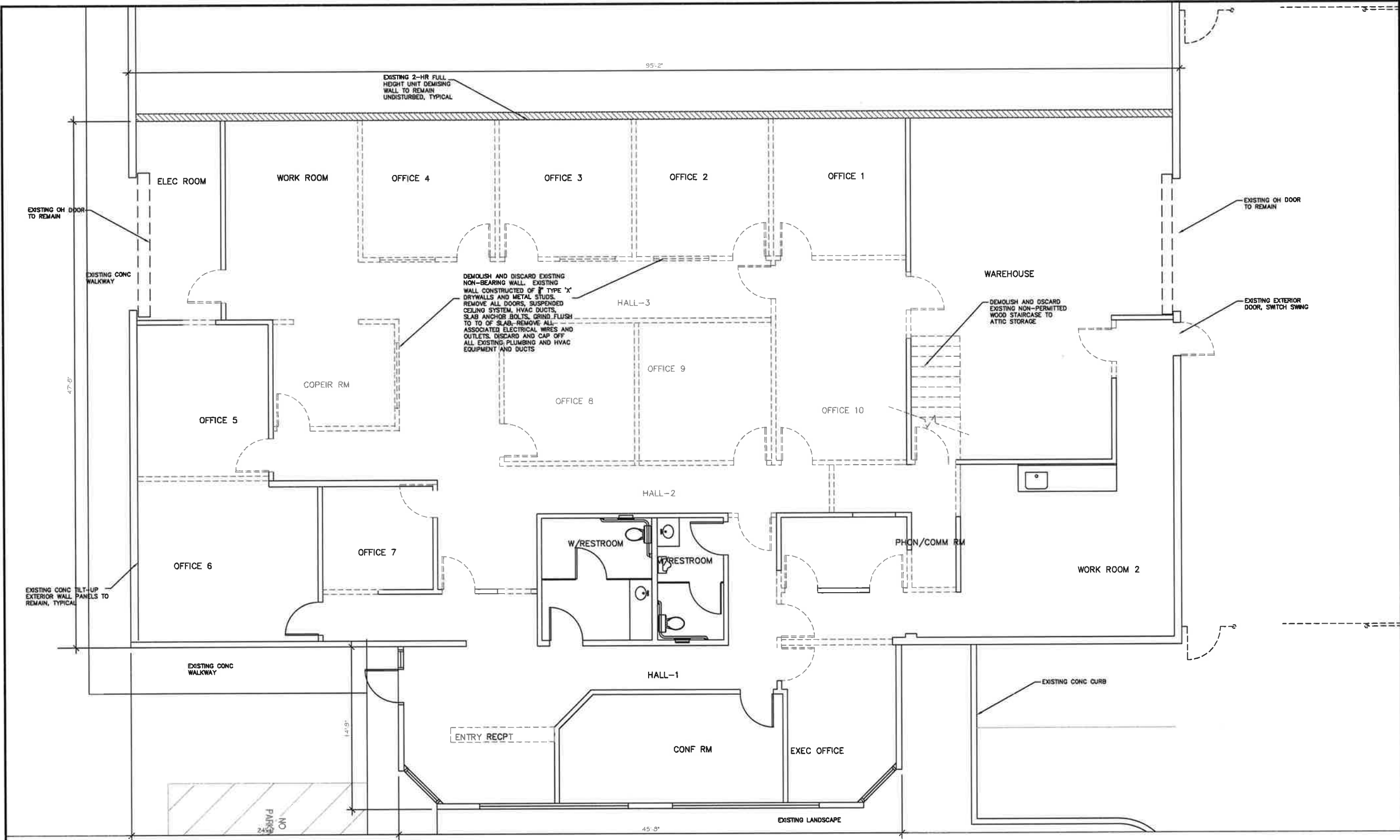
T.I. FOR CANNABIS PACKAGING FACILITY  
**PIVOT NATURALS LLC**  
3595 CADILLAC AVENUE SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS		
No.	Description	Date
1	As-built 1st plan	05-01-18
2	CUP SUBMITTAL	08-AUG-18
3	REV CUP SUBMITTAL	10-SEP-18

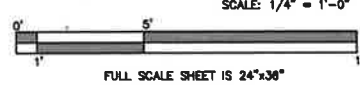
Drawn	
Project #	18-6019
Plot Date	09-SEP-18

Scale: 1" = 10'  
THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP. IT IS NOT TO BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION  
**A1.0**



**AS-BUILT DEMOLITION PLAN**



**WALL LEGEND**

- DEMOLISH AND DISCARD EXISTING NON-BBG WALLS AND ALL ASSOCIATED COMPONENTS
- EXISTING EXTERIOR BEARING WALL AND WINDOW WALL SYSTEM TO REMAIN UNDISTURBED. EXTERIOR WALLS ARE 2\"/>
- EXISTING INTERIOR NON-BEARING WALL AND WINDOW WALL SYSTEM TO REMAIN UNDISTURBED.

**SC CONSULTING GROUP**

2531 CALIFORNIA AVENUE, SUITE 100  
IRVINE, CALIFORNIA 92617  
949-251-1752 [www.scconsulting.com](http://www.scconsulting.com)  
Architects & Building Science



T.I. FOR CANNABIS PACKAGING FACILITY

**PIVOT NATURALS LLC**  
3595 CADILLAC AVENUE, SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS		
No.	Description	Date
A	As-Built, 1st plan	35-JUN-18
B	CUP SUBMITTAL	08-AUG-18
C	REV CUP SUBMITTAL	10-SEP-18

Drawn	
Project #	18-8019
Plot Date	09-SEP-18

Scale: 1/4" = 1'-0"

THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, IS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP, AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT, WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

**A1.1**

75





T.I. FOR CANNABIS PACKAGING FACILITY

**PIVOT NATURALS LLC**

3595 CADILLAC AVENUE, SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS	No.	Description	Date
A	1	ANALYSIS, 1st PLAN	20-SEP-18
B	2	CUP SUBMITTAL	08-AUG-18
C	3	REV CUP SUBMITTAL	15-SEP-18

Drawn	
Project #	18-6019
Plot Date	09-SEP-18

Scale: 1/4" = 1'-0"

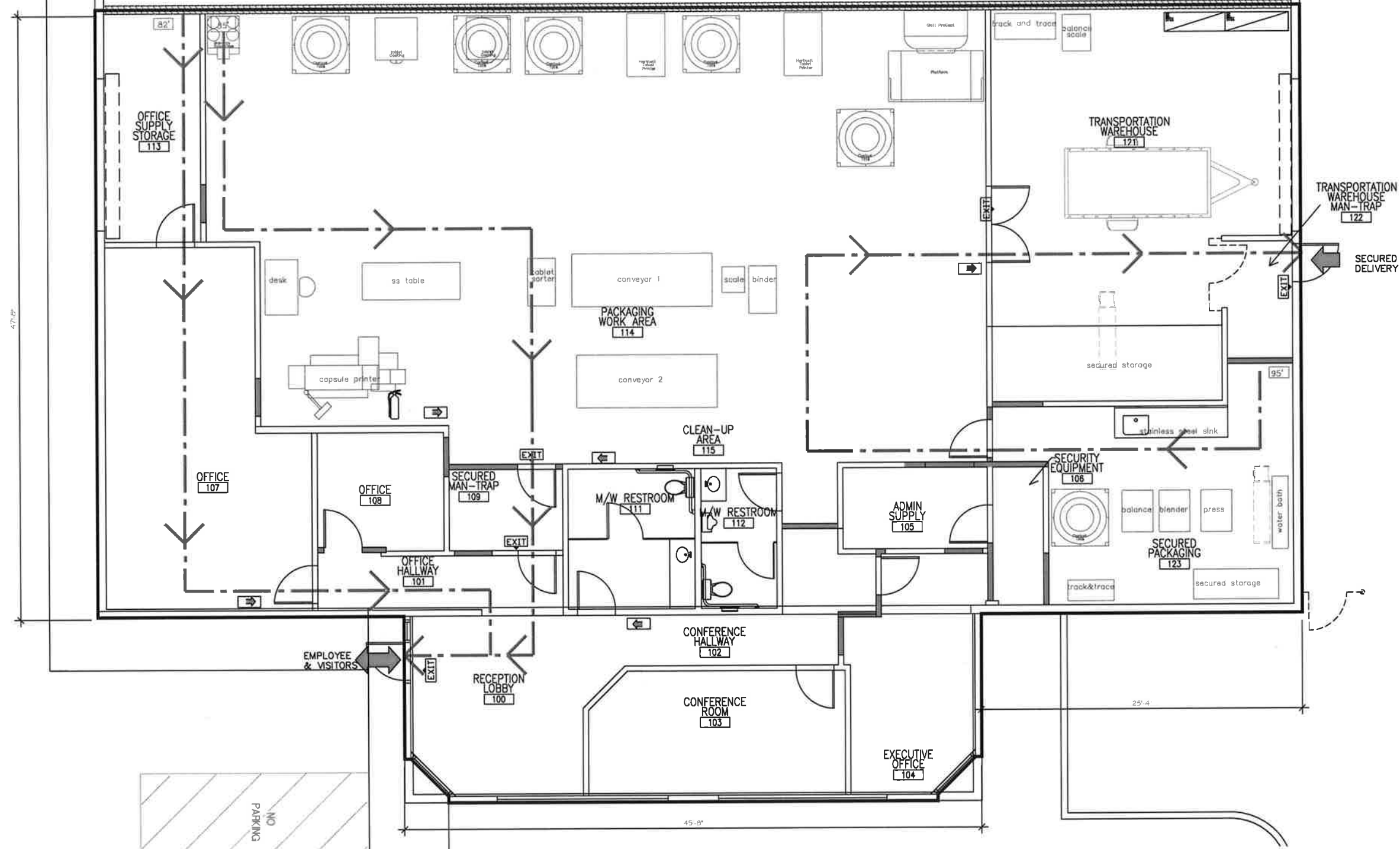
THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, IS AN INSTRUMENT OF SERVICE. IT IS THE PROPERTY OF SC CONSULTING GROUP, AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT OR PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

**A1.2**

Sheet Number of

CUP PLANS

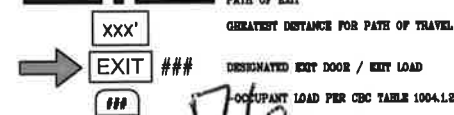


## EXIT PLAN

SCALE: 1/4" = 1'-0"



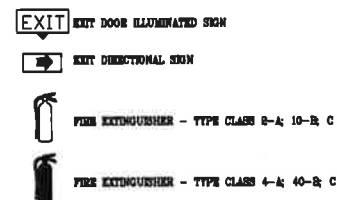
### EXIT PLAN SYMBOL

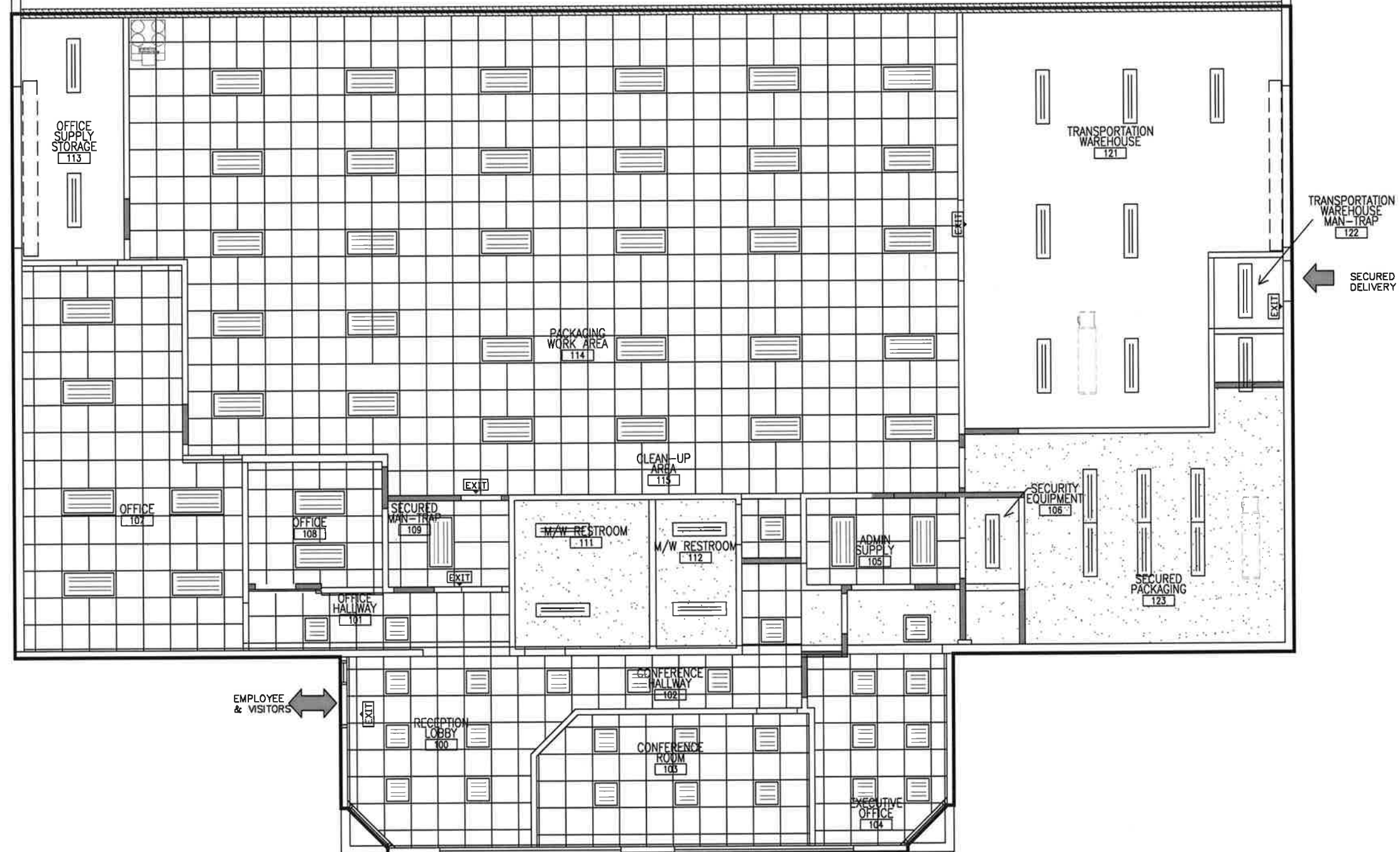


### EXIT WIDTH

SECTION 1006.3.2  
DOOR WIDTH: 0.2 x OCC LOAD  
BLDG TYP: 0.2x07 OCC = 17.4' OK 36" DOOR PROVIDED  
TOTAL EGRESS - BLDG TYP: 0.2x07 OCC = 17.4' OK 36" DOOR PROVIDED EACH DOOR

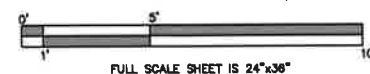
### FIRE AND EXIT LEGEND





## REFLECTED CEILING PLAN

SCALE: 1/4" = 1'-0"



### FIRE AND EXIT LEGEND

EXIT DOOR ILLUMINATED SIGN

EXIT DIRECTIONAL SIGN



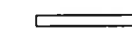
FIRE EXTINGUISHER - TYPE CLASS B-A 10-B C

FIRE EXTINGUISHER - TYPE CLASS A-A 40-B C

### WALL LEGEND



EXISTING EXTERIOR BEARING WALL AND WINDOW WALL SYSTEM TO REMAIN UNDISTURBED. EXTERIOR WALLS 7" THICK CONCRETE TILT-UP WALL PANELS



EXISTING INTERIOR NON-BEARING WALLS TO REMAIN UNDISTURBED. INTERIOR REMAINING WALLS ARE LIMITED TO RESTROOM AND ELEC ROOM



NEW INTERIOR NON-BEARING STUD WALL, 5-5/8" X 20GA @ 16" O.C. - 12' MAX HEIGHT. PROVIDE 5/8" TYPE 'X' GYP BOARD. INSTALLED BOUZE PROVIDE WALL UNFILL AT DOORWAY OPENING AS DEPICTED ON THE PLAN.

**SC**  
CONSULTING  
GROUP

3031 CALIFORNIA AVENUE, SUITE 100  
PUEBLO, CALIFORNIA 92017  
950-283-4782 sc@scconsulting.com  
Architecture & Building Science



T.I. FOR CANNABIS PACKAGING FACILITY

**PIVOT NATURALS LLC**

3595 CADILLAC AVENUE, SUITE 101  
COSTA MESA, CALIFORNIA 92626

No.	Description	Date
A	As-built, 1st plan	25-Jun-18
B	CUP SUBMITTAL	08-AUG-18
C	REV CUP SUBMITTAL	10-SEP-18

Drawn	
Project #	18-6019
Plot Date	09-SEP-18

Scale: 1/4" = 1'-0"

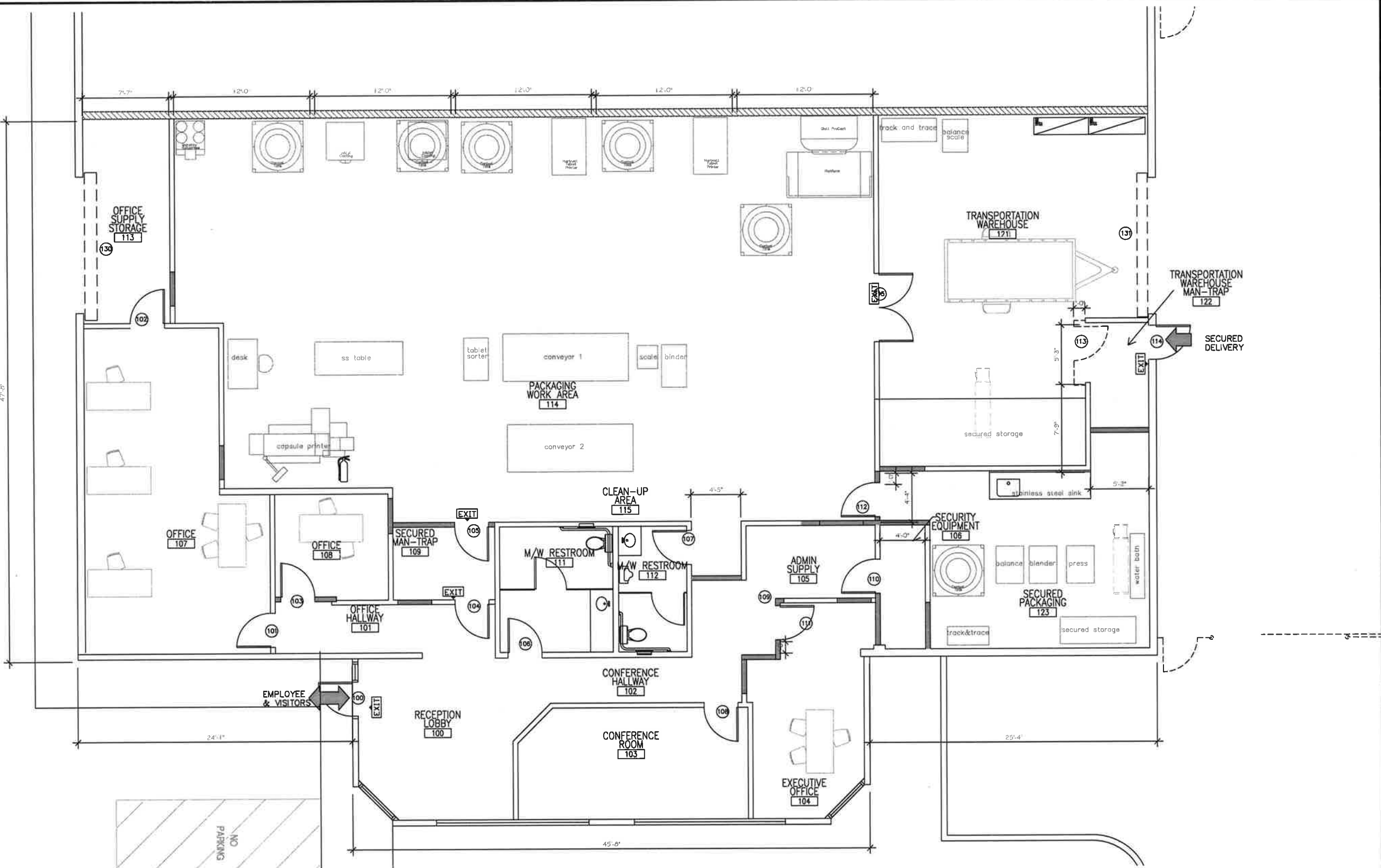
THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP, INC. AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT OR PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

**A2.1**

Sheet Number of  
CUP PLANS

77



# **FLOOR PLAN**

AREA: 5,227-sf SCALE: 1/4" = 1'-0"



## **FIRE AND EXIT LEGEND**

- EXIT DOOR ILLUMINATED SIGN
- EXIT DIRECTIONAL SIGN
- FIRE EXTINGUISHER - TYPE CLASS 2-A: 10-B: C
- FIRE EXTINGUISHER - TYPE CLASS 4-A: 40-B: C

## **WALL LEGEND**

- EXISTING EXTERIOR BEARING WALL AND WINDOW WALL SYSTEM TO REMAIN UNDISTURBED. EXTERIOR WALLS 7" THICK CONCRETE TILT-UP WALL PANELS
- EXISTING INTERIOR NON-BEARING WALLS TO REMAIN UNDISTURBED. INTERIOR REMAINING WALLS ARE LIMITED TO RESTROOM AND ELECT ROOM
- NEW INTERIOR NON-BEARING STUD WALL, 5-5/8" X SOGA @ 16" O.C. - 12' MAX HEIGHT. PROVIDE 5/8" TYPE 'X' GYP BOARD. INSTALLED HORIZ. PROVIDE WALL INFILL AT DOORWAY OPENING AS DEPICTED ON THIS PLAN.



T.I. FOR CANNABIS PACKAGING FACILITY

PIVOT NATURALS LLC

3595 CADILLAC AVENUE SUITE 101  
COSTA MESA, CALIFORNIA 92626

No.	Description	Date
A	AS-BUILT, H&G/BN	20-JUN-18
B	CUP SUBMITTAL	08-AUG-18
C	REV CUP SUBMITTAL	10-SEP-18

Drawn	
Project #	18-6019
Plot Date	09-SEP-18

Scale: 1/4" = 1'-0"

THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL, CONTAINED HEREIN, AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT OR PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

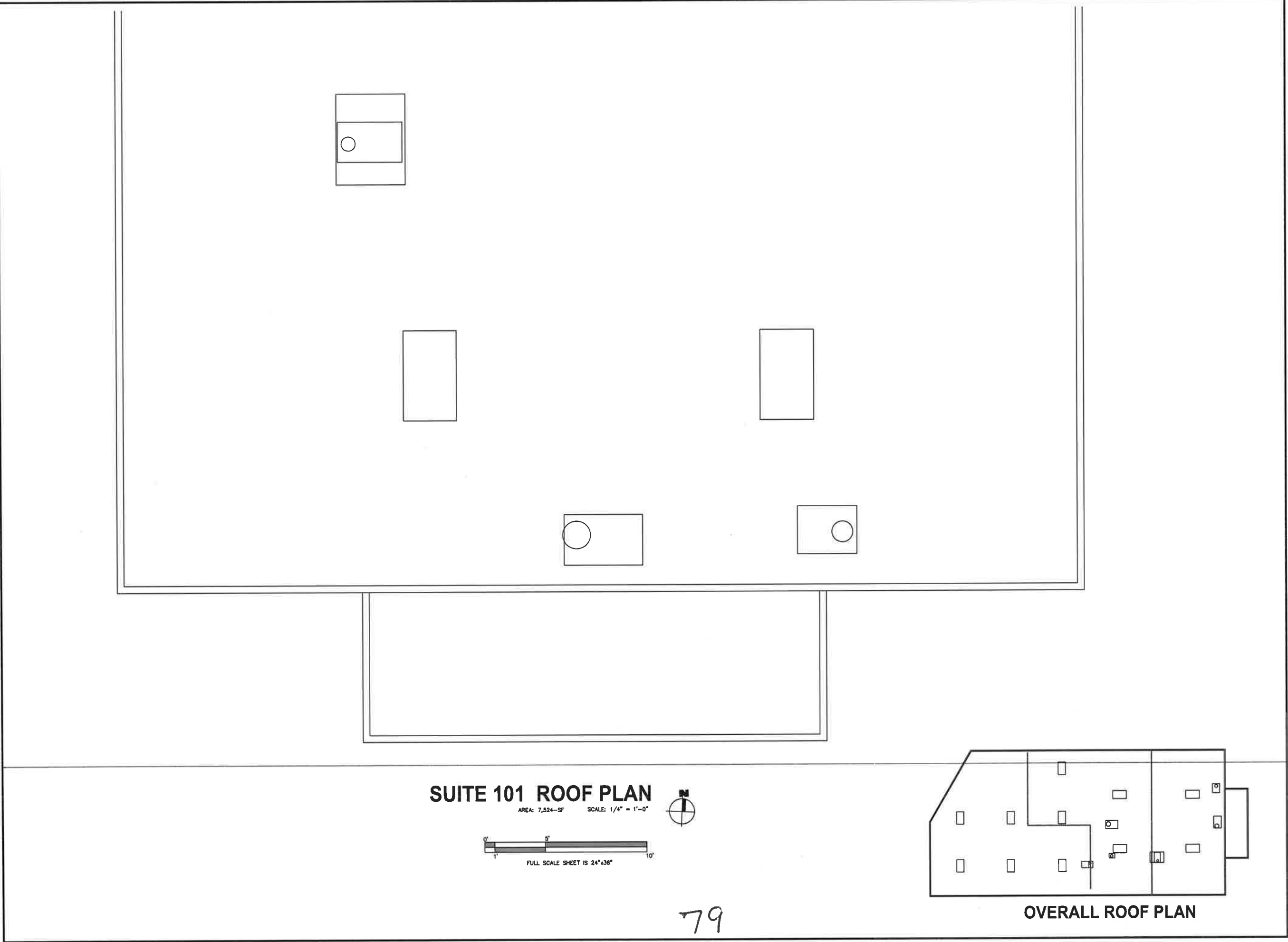
PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING AND DISTRIBUTION

**A2.0**

Sheet Number of

CUP PLANS

78



**SC**  
**CONSULTING**  
**GROUP**

3595 CALIFORNIA AVENUE, SUITE 101  
COSTA MESA, CALIFORNIA 92626  
949-253-4782 sc@scconsulting.com  
Professional & Building Science



T.I. FOR CANNABIS PACKAGING FACILITY

**PIVOT NATURALS LLC**  
3595 CADILLAC AVENUE, SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS		
No.	Description	Date
1	As-built, 1st plan	05-JUN-18
2	CUP SUBMITTAL	08-AUG-18

Drawn	
Project #	18-6019
Plot Date	08-AUG-18

Scale: 1/4" = 1'-0"

THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DIMENSIONS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, IS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP, AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER SET ITS ORIGIN, PURPOSE, WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

**A2.2**





EXTERIOR ELEVATION PHOTOS

NO SCALE

80

T.I. FOR CANNABIS PACKAGING FACILITY

PIVOT NATURALS LLC

3595 CADILLAC AVENUE SUITE 101  
COSTA MESA, CALIFORNIA 92626

REVISIONS		
No.	Description	Date
1	Issued for Plan	31-Jul-18
2	CUP SUBMITTAL	08-AUG-18

Drawn	
Project #	18-6019
Plot Date	08-AUG-18

Scale: 1/4" = 1'-0"

THIS DOCUMENT, WHICH INCORPORATES THE DESIGN CONCEPTS, DRAWINGS, SPECIFICATIONS AND WRITTEN MATERIAL CONTAINED HEREIN, AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF SC CONSULTING GROUP, AND CANNOT BE COPIED OR USED IN WHOLE OR IN PART FOR ANY OTHER PROJECT WITHOUT THE WRITTEN AUTHORIZATION OF SC CONSULTING GROUP.

PIVOT NATURALS LLC  
3595 CADILLAC AVE, SUITE 101  
CANNABIS PACKAGING  
AND DISTRIBUTION

**A3.0**



# ATTACHMENT 5

## RESOLUTION NO. PC-18-

### **A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA APPROVING PLANNING APPLICATION 18-30 TO ALLOW A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY AT 3595 CADILLAC AVENUE, SUITE 101**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, on or about November 8, 2016, Costa Mesa voters approved Measure X; which allows for the distribution, manufacture, processing, research and development laboratories, testing laboratories and transportation of marijuana related uses located in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive, west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue.

WHEREAS, an application was filed by Patrick Rolfes, representing IMHOF Krickl and Warner, LLC, the property owner, requesting approval of the following in accordance with Measure X:

Planning Application 18-30 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (Pivot Naturals, LLC) within a 5,283-square-foot tenant space of an existing industrial building. The proposed facility will include processing of cannabis oils to blend them into a powder for use in tablets, beverages, edibles, and similar products. No cannabis extraction will take place at this facility. Rooms include manufacturing and packaging areas, storage rooms, and ancillary offices. Trailers used for the distribution of cannabis products will be within the building. The facility will be staffed by at least nine employees. The hours of operation are proposed to be from 7 AM to 7 PM, daily, eventually expanding to 24 hours a day, if demand warrants. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation or dispensing of marijuana is permitted.

WHEREAS, on July 27, 2018, the applicant was issued a Notice to Proceed and Background Clearance Letter for the property located at 3595 Cadillac Avenue (Permit Number MX-18-0007) from the Community Improvement Division, which allows the applicant to proceed with submittal of a conditional use permit consistent with the

procedures set forth in Section 13-200.92(c) of the CMMC and Administrative Regulation A.R. 4.2.

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of CEQA under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on September 24, 2018 with all persons having the opportunity to speak for and against the proposal.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained in Exhibit B, the Planning Commission hereby **APPROVES** Planning Application 18-30.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Planning Application 18-30 and upon the applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that the CEQA determination for this project reflects the independent judgment of the Planning Commission of the City of Costa Mesa.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the documents in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

**PASSED AND ADOPTED this 24th day of September, 2018.**

---

Stephan Andranian, Chair  
Costa Mesa Planning Commission

## EXHIBIT A

### FINDINGS (APPROVAL)

- A. The proposed project complies with Title 13, Section 13-29(g)(2), Conditional Use Permit, of the Municipal Code due to the following:

**Finding:** The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

**Facts in Support of Findings:** The proposed use is a manufacturing and distribution use and, with the recommended conditions of approval, will be consistent with the other warehousing, manufacturing, and distribution uses in the immediate vicinity. Compliance with the conditions of approval will allow this use to operate with minimal impact on surrounding properties and uses.

**Finding:** Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

**Facts in Support of Findings:** The proposed use is within an existing building and is consistent with the MP zoning of the property and the other properties in the vicinity. Compliance with the recommended conditions of approval and code requirements, will ensure that the project is not materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

**Finding:** Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

**Facts in Support of Findings:** The project is consistent with the following policies and objectives of the General Plan, Land Use Element. The proposed use is within an existing building and there are no proposed additions to the building; therefore, there is no change to density or intensity. In addition, the proposed use is a permitted use in the industrial zone.

**Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

**Consistency:** The proposed use will provide a new entrepreneurial business in Costa Mesa and provide new employment opportunities in the community.

**Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

**Consistency:** The proposed use is not located near any residentially-zoned properties. Therefore, the use is consistent with the General Plan Policy.

**Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

**Consistency:** The proposed use is part of a growing industry and is proposed in a location as specifically identified for such uses by the City's electorate through Measure X. Therefore, approval encourages new businesses and entrepreneurial opportunities in an area of the City identified for such by local voters.

- B. The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. The project is exempt because it involves minor alterations to an existing industrial building to accommodate a manufacturing and distribution use where an industrial use existed previously. The proposed use is similar in nature to the previous office use. As such, the project involves a negligible expansion of the prior use and does not have the potential to cause significant environmental impacts. The use, as conditioned, is consistent with the applicable General Plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- C. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

STATE OF CALIFORNIA )  
COUNTY OF ORANGE )ss  
CITY OF COSTA MESA )

I, Barry Curtis, Secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution No. PC-18-\_\_\_\_ was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on September 24, 2018 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

---

Barry Curtis, Secretary  
Costa Mesa Planning Commission

Resolution No. PC-18-\_\_\_\_

## EXHIBIT B

### CONDITIONS OF APPROVAL

- Plng.
1. The use of this property as a marijuana manufacturing, processing, and distribution business shall comply with the approved plans and terms described in this resolution and these conditions of approval. The business hours shall be from 7 AM to 7 PM, 7 days a week, eventually expanding to 24 hours a day if demand warrants. No product distribution shall occur between 12:00 AM midnight and 5:00 AM. The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
  2. This CUP will expire and be of no further force and effect if the applicant does not obtain a valid marijuana business permit for this location within 12 months from issuance of this CUP.
  3. Use of this property as a marijuana distributor, manufacturer, or processor business shall comply with the approved plans and terms described in this resolution and the conditions of approval included herein.
  4. The subject business shall not engage in the retail sale of cannabis or marijuana products, in any form.
  5. Prior to the issuance of certificates of use and occupancy, the applicant shall provide the City with photographs depicting the interior and exterior of the property, including, but not limited to, the entire interior of the proposed property entrances, exits, street frontage, parking front, rear and side of the proposed property.
  6. No cultivation of cannabis or marijuana may occur on the premises.
  7. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to marijuana, whether in words or symbols. All signs shall comply with the Costa Mesa Municipal Code. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City.
  8. A Marijuana Business Permit may be revoked upon a hearing by the Director of Development Services pursuant to Section 9-120 of the Costa Mesa Municipal Code for failing to comply with the terms of the permit, the applicable provisions of the Municipal Code, state law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Marijuana Business Permit shall trigger the City's proceedings to revoke this CUP. The CUP granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-18-30 until a valid Marijuana Business Permit is received from the City of Costa Mesa.
  9. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the



marijuana business' books and records for the purpose of verifying compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.

10. a. The owner/operator of this marijuana business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the marijuana business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
  - b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the marijuana business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the marijuana business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
  - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted marijuana activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.
  - d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the marijuana business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager.
11. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than one million dollars (\$1,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and

shall be rated at least A:-viii in A.M. Best & Company's Insurance Guide. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Community Improvement Division within 10 days of the date the change is effective.

12. The operator shall maintain a valid Marijuana Business Permit and a valid Business License at all times. The Marijuana Business Permit application number associated with this address is MX-18-0007. Upon issuance, the Marijuana Business Permit will be valid for a two-year period and must be renewed with the Community Improvement Division prior to its expiration date, including the payment of permit renewal fees.
13. No person may engage in any marijuana business or in any marijuana activity within the City including manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person:
  - a. Has a valid Marijuana Business Permit from the City.
  - b. Pays all Marijuana Business Permit and all application fees and deposits established by resolution of the City Council, including, but not limited to, annual Community Improvement Division Inspection deposits.
  - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such marijuana business intends to operate.
  - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code.
  - e. Has met all requirements of Community Improvement Division regarding the property.
  - f. Has satisfied all conditions of approval of this CUP.
14. Cannabis shall not be consumed on the premises at any time, in any form.
15. No outdoor storage of cannabis or cannabis products is permitted at any time.
16. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with State and local regulations.
17. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
18. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business. It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
19. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises.
20. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the marijuana business.

21. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
  - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the marijuana business is prohibited.
  - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
  - c. That loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises is prohibited.
22. Odor control devices and techniques shall be incorporated to ensure that odors from marijuana are not are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the marijuana business. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
23. Security and Safety Measures: The Security Plan and Safety Plan identified in the approved Marijuana Business Permit must be implemented at all times and must conform to the requirements of both Title 9, Chapter VI and the City's Administrative Regulation Number 4.2.
24. Windows shall be reinforced for security purposes as deemed appropriate by the Planning, Fire and Building Division.
25. Every manager, supervisor, employee or volunteer of the marijuana business must submit fingerprints and other information specified on the Marijuana Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history.
  - a. No employee or volunteer may commence paid or unpaid work for the business until the background checks have been approved.
  - b. No marijuana business or owner thereof may employ any person who has convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.
26. All employees must wear an identification badge while on the premises of the business, in a format prescribed by the City Manager.
27. Should any employee, volunteer or other person who possess an identification badge be terminated or cease their employment with the business, the applicant shall return such identification badge to the Community Improvement Division within 24 hours, not including weekends and holidays.
28. Inspections of this marijuana business by the City's Community Improvement Division will be conducted, at a minimum, on a quarterly basis. Code Enforcement officers, the Building Official and/or the Fire Marshall may enter and inspect the location of this business between the hours of 8:00 AM and 5:00 PM Monday through Friday upon 24 hours

telephonic notice to the owner or operator, to ensure compliance with this CUP.

29. The City Manager or his or her designees may enter this business at any time during the hours of operation without notice, and inspect the location of this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. The City Manager or his or her designees may conduct inspections at the site, as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law.
30. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a marijuana business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a marijuana business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This CUP will expire and be of no further force and effect if any state issued license remains suspended for a period of 6 months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Marijuana Business Permit.
31. The business must obtain any and all licenses required by state law and/or regulation prior to engaging in any cannabis activity at the property.
32. Pursuant to Title 9, Chapter VI It is unlawful for any person having responsibility for the operation of a marijuana business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a marijuana business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsifies any records, recordings or other documents required to be maintained by a marijuana business under this chapter or under state or local law.
33. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable state and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
34. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.

35. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval prior to the change taking place.
36. The operator shall maintain free of litter all areas of the premises under which applicant has control.
37. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute whatever security and operational measures are necessary to comply with this requirement.
38. The applicant shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the applicant's obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
39. Prior to occupancy, the applicant shall provide a scaled and dimensioned digital floor plan(s) for the tenant space, on either a CD or thumb drive, to the Planning Division.
40. The Applicant shall comply with the following operational requirements as recommended by HdL:
  - a. The tenant improvement plans submitted for plan check shall identify the proposed limited-access areas to ensure visitor control, inventory and cash handling procedures take place in the appropriately designated areas.
  - b. In the event the stair case is not removed, the applicant shall be required to install surveillance cameras capable of covering the entire mezzanine area.
  - c. All cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault to prevent diversion, theft and loss.

### **CODE REQUIREMENTS**

The following list of federal, state and local laws applicable to the project has been compiled by staff for the applicant's reference. Any reference to "City" pertains to the City of Costa Mesa.

Plng.

1. All contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.
2. Approval of the planning/zoning application is valid for two (2) years from the effective date of this approval and will expire at the end of that period unless applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than thirty (30) days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180 days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
3. Hours of construction shall comply with Section 13-279, Title 13, of the Costa Mesa Municipal Code.
4. Permits shall be obtained for all signs according to the provisions of the Costa Mesa Sign Ordinance.
5. Street address shall be visible from the public street and/or shall be displayed on the freestanding sign. If there is no freestanding sign, the street address may be displayed on the fascia adjacent to the main entrance or on another prominent location. When the property has alley access, address numerals shall be displayed in a prominent location visible from the alley. Numerals shall be a minimum twelve (12) inches in height with not less than three-fourth-inch stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be four (4) inches in height with not less than one-fourth-inch stroke and shall contrast sharply with the background.
6. Any mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division.
7. Trash enclosure(s) or other acceptable means of trash disposal shall be provided. Design of trash enclosure(s) shall conform with City standards.
8. The parking area shall be resurfaced and restriped prior to occupancy of the building. Parking stalls shall be double-striped in accordance with City standards.
9. All fences shall be repaired or replaced as necessary under the direction of the Planning Division.



Bldg.

10. Comply with the requirements of the following adopted codes: 2016 California Building Code, 2016 California Electrical Code, 2016 California Mechanical Code, 2016 California Plumbing Code, 2016 California Green Building Standards Code, and 2016 California Energy Code (or the applicable adopted California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards, and California Energy Code, at the time of plan submittal or permit issuance) and California Code of Regulations, also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings, and elements by individuals with disability shall comply with Chapter 11B of the 2016 California Building Code.
11. The conditions of approval and ordinance or code provisions of Planning Application 18-30 shall be blueprinted on the face of the site plan as part of the plan check submittal package.
12. Prior to the Building Division issuing a demolition permit. contact South Coast Air Quality Management District (AQMD) located at:  
21865 Copley Dr.  
Diamond Bar, CA 91765-4178  
Tel: 909- 396-2000  
or  
Visit their web site:  
<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Div. will not issue a demolition permit until an Identification Number is provided by AQMD.
13. Plans shall be prepared by a California licensed Architect or Engineer. Plans shall be wet stamped and signed by the licensed Architect or Engineer prior to the issuance of building permits.
14. Equipment shall be approved for use by a recognized testing laboratory.
15. Comply with the requirements of the 2016 California Fire Code, including the 2016 Intervening Update and referenced standards as amended by the City of Costa Mesa.
16. There shall be no extraction operations, refining, or winterization conducted in this facility.
17. There shall be no storage or use of volatiles, solvents, or hazardous materials at this facility.
18. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval prior to the change taking place.
19. Marijuana liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
20. A copy of the approved Safety Plan shall be maintained onsite at all times, and it shall be available at the request of any City Official.
21. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the

Fire

approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.

22. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.

### **SPECIAL DISTRICT REQUIREMENTS**

The requirements of the following special districts are hereby forwarded to the applicant:

- |       |    |   |
|-------|----|---|
| Sani. | 1. | The applicant is required to contact the Costa Mesa Sanitary District at (949) 654-8400 to arrange final sign-off prior to certificate of occupancy being released.   |
|       | 2. | Applicant shall contact Costa Mesa Sanitary District at (949) 654-8400 for any additional district requirements.  |
| AQMD  | 3. | Applicant shall contact the Air Quality Management District (AQMD) at (800) 288-7664 for potential additional conditions of development or for additional permits required by AQMD.   |
| Water | 4. | Customer shall contact the Mesa Water District – Engineering Desk and submit an application and plans for project review. Customer must obtain a letter of approval and a letter of project completion from Mesa Water District.                    |
| State | 5. | Comply with the requirements of the California Department of Food and Agriculture (CDFA) to determine if red imported fire ants (RIFA) exist on the property prior to any soil movement or excavation. Call CDFA at (714) 708-1910 for information. |